



THUNDELARRA

EXPLORATION LTD

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Thundelarra Exploration Ltd
ABN 74 950 465 654
ARBN 085 782 994
ASX THX



25 January 2013

The Manager
Companies Announcement Office
ASX Limited
Level 4
20 Bond Street
SYDNEY NSW 2000

Via Electronic Lodgement

Dear Sir/Madam

NOTICE OF ANNUAL GENERAL MEETING

We attach the Notice of Annual General Meeting, Explanatory Memorandum and Proxy Form that will be dispatched to shareholders today, in relation to the Annual General Meeting of Thundelarra Exploration Ltd to be held on Thursday 28 February 2013 at 10.00 am (WST).

Yours sincerely
THUNDELARRA EXPLORATION LTD

Frank DeMarte
COMPANY SECRETARY

NOTICE OF ANNUAL GENERAL MEETING
EXPLANATORY MEMORANDUM
AND
PROXY FORM

Date of Meeting
28 February 2013

Time of Meeting
10.00 am WST

Place of Meeting
The Function Room
The Celtic Club
48 Ord Street, West Perth
Western Australia

THUNDELARRA EXPLORATION LTD
ABN 74 950 465 654

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Shareholders of Thundelarra Exploration Ltd ABN 74 950 465 654 ("**Company**") will be held at the Function Room, The Celtic Club, 48 Ord Street, West Perth, Western Australia on Thursday, 28 February 2012 at 10.00 am WST for the purpose of transacting the following business referred to in this Notice of Annual General Meeting.

An Explanatory Memorandum containing information in relation to each of the following Resolutions accompanies this Notice of Annual General Meeting.

Please note terms used in the Resolutions contained in this Notice of Annual General Meeting have the same meaning as set out in the Glossary of the Explanatory Memorandum accompanying this Notice.

AGENDA

BUSINESS

Financial Reports

To receive the Financial Statements of the Company for the year ended 30 September 2012, together with the Directors' Report and the Auditor's Report as set out in the Annual Report.

Resolution 1 – Remuneration Report

To consider and, if thought fit, to pass the following resolution as a non-binding **ordinary resolution**:

"That the Remuneration Report as contained within the Annual Report for the year ended 30 September 2012 be adopted."

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Memorandum for further details on the consequences of voting on this Resolution.

The Company will disregard any votes cast on Resolution 1 by or on behalf of a Restricted Voter¹. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
- (b) it is not cast on behalf of a Restricted Voter.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 1 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 1; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 1.

Shareholders may also choose to direct the Chair to vote against Resolution 1 or to abstain from voting.

Resolution 2 – Re-election of Mr Frank DeMarte as a Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That Mr Frank DeMarte, being a Director, who retires by rotation in accordance with clause 13.2 of the Company's Constitution and, being eligible for re-election, be re-elected as a Director."

¹ "Restricted Voter" means Key Management Personnel and their Closely Related Parties as defined in the Glossary.

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Resolution 3 – Election of Mr Philip G Crabb as a Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That Mr Philip G Crabb who ceases to hold office in accordance with clause 13.5 of the Company's Constitution and, being eligible, offers himself for election, be elected as a Director."

Resolution 4 – Ratification of issue of Shares

To consider and, if thought fit to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of Listing Rule 7.4 and for all other purposes, the Company ratify the allotment and issue a total of 22,200,000 Shares (at an issue price of \$0.05 each) on 13 July 2012 to certain sophisticated investors on the terms and conditions set out in the Explanatory Memorandum."

The Company will disregard any votes cast on Resolution 4 by any person who participated in the issue the subject of Resolution 4 and any person associated with those persons. However, the Company need not disregard a vote if the vote is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or the vote is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 5 – Ratification of issue of Shares to Underwriters

To consider and, if thought fit to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of Listing Rule 7.4 and for all other purposes, the Company ratify the allotment and issue a total of 1,000,000 Shares, for no consideration on 13 July 2012 to Underwriters of the Placement on the terms and conditions set out in the Explanatory Memorandum."

The Company will disregard any votes cast on Resolution 5 by the Underwriters and any associate of Underwriters. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or the vote is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 6 – Approval of Additional 10% Placement Capacity

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

"That, for the purpose of Listing Rule 7.1A and for all other purposes, the Company approves the allotment and issue of Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with Listing Rule 7.1A.2 on the terms and conditions set out in the Explanatory Memorandum."

The Company will disregard any votes cast on Resolution 6 by any person who may participate in the proposed issue the subject of Resolution 6 and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed, and any person associated with those persons. However, the Company need not disregard a vote if the vote is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or the vote is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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Resolution 7 – Change of Company Name

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

"That in accordance with section 157 of the Corporations Act and for all other purposes, approval be and is hereby given to allow the Company to change its name to 'Thundelarra Limited.'"

Resolution 8 –Employee Share Option Plan

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of Listing Rule 7.2, Exception 9 of the Listing Rules and for all other purposes, the Company approves, as an exception to Listing Rule 7.1, the issue of securities under the employee incentive option scheme for employees known as "Thundelarra Exploration Ltd Employee Share Option Plan", the rules of which are annexed as Annexure A to the Explanatory Memorandum."

The Company will disregard any votes cast on Resolution 8 by a director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any person associated with those persons. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 8 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 8; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 8.

Shareholders may also choose to direct the Chair to vote against Resolution 8 or to abstain from voting.

OTHER BUSINESS

To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.

By order of the Board



Frank DeMarte
Company Secretary

Dated: 8 January 2013

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PROXIES

- Votes at the Annual General Meeting may be given personally or by proxy, attorney or representative.
- A Shareholder entitled to attend and vote at the Annual General Meeting may appoint not more than two proxies to attend and vote at the Annual General Meeting. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the Shareholder's voting rights. Fractions shall be disregarded.
- A proxy may, but need not be a Shareholder of the Company.
- The instrument appointing the proxy must be in writing, executed by the appointor or his attorney duly authorising in writing or, if such appointor is a corporation, either under seal or under hand of the officer of his attorney duly authorised.
- The instrument of proxy (and the power of attorney or other authority, if any, under which it is signed) must be lodged by post or facsimile and must reach the Company's Share Registry as detailed below at least 48 hours prior to the Annual General Meeting. For the convenience of Shareholders a Proxy Form is enclosed.
- For your vote to be effective it must be received by 10.00 am WST 26 February 2013.

Post to:

Computershare Investor Services Pty Ltd
GPO Box 242
MELBOURNE VIC 3001

Deliver to:

Computershare Investor Services Pty Ltd
Level 2, 45 St George's Terrace
PERTH WA 6000

Or by facsimile on:

1800 783 447 (within Australia)

+61 3 9473 2555 (outside Australia)

- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit. However, where a Restricted Voter is appointed as a proxy, the proxy may only vote on Resolutions 1 and 8 if the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
- Shareholders who return their proxy forms with a direction how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the meeting as their proxy to vote on their behalf. If a proxy form is returned but the nominated proxy does not attend the meeting, the Chairman of the meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chairman of the Meeting, the secretary or any Director that do not contain a direction how to vote will be used where possible to support each of the Resolutions proposed in this Notice of Meeting, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed Resolutions. These rules are explained in this Notice of Meeting.

Entitlement to vote

For the purposes of regulation 7.11.37 of the Corporations Regulations 2001, the Company determines that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 4.00 pm WST on 26 February 2013.

Corporations

A corporation may elect to appoint an individual as its representative and vote in person at the Annual General Meeting. The appointment must comply with the requirement of section 250D of the Corporations Act. Written proof of the representative's appointment must be lodged with, or presented to the Company before the Annual General Meeting.

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EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting of Thundelarra Exploration Ltd ("**Company**").

The Directors recommend Shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

Capitalised terms used in this Explanatory Memorandum are defined in the Glossary appearing at the end of this Explanatory Memorandum.

The following information should be noted in respect of the various matters contained in the accompanying Notice:

FINANCIAL REPORTS

The first item of the Notice of Annual General Meeting deals with the presentation of the consolidated annual financial report of the Company for the financial year ended 30 September 2012 together with the Directors' declaration and report in relation to that financial year and the auditor's report on those financial statements. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

No resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the accounts and on the business, operations and management of the Company.

The Chairman will also provide Shareholders a reasonable opportunity to ask the Company's auditor questions relevant to:

- the conduct of the audit;
- the preparation and content of the independent audit report;
- the accounting policies adopted by the Company in relation to the preparation of accounts; and
- the independence of the auditor in relation to the conduct of the audit.

RESOLUTION 1 – REMUNERATION REPORT

Section 298 of the Corporations Act requires that the annual Directors' Report contains a Remuneration Report prepared in accordance with section 300A of the Corporations Act.

Pursuant to section 250R(2) of the Corporations Act, a resolution adopting the Remuneration Report must be put to the vote at the Annual General Meeting.

Shareholders are advised that pursuant to section 250R(3) of the Corporations Act, this Resolution is advisory only and does not bind the Directors or the Company.

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The Remuneration Report is set out within the Directors' Report in the Company's Annual Report for the year ended 30 September 2012 and is also available on the Company's website (www.thundelarra.com.au).

However, if at least 25% of the votes cast are against adoption of the Remuneration Report at the Annual General Meeting, and then again at the 2013 Annual General Meeting, the Company will be required to put a resolution to the 2013 Annual General Meeting, to approve calling a general meeting (spill resolution). If more than 50% of Shareholders vote in favour of the spill resolution, the Company must convene a general meeting (spill meeting) within 90 days of the 2013 Annual General Meeting. All of the Directors who were in office when the 2013 Directors' Report was approved, other than the Managing Director, will cease to hold office immediately before the end of the spill meeting but may stand for re-election at the spill meeting. Following the spill meeting, those persons whose election or re-election as Directors are approved will be the Directors of the Company.

Voting

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice of Annual General Meeting. In particular, the Directors and other Restricted Voters may not vote on this Resolution and may not cast a vote as proxy, unless the appointment gives a direction on how to vote or the proxy is given to the Chair and expressly authorises the Chair to exercise your proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. The Chair will use any such proxies to vote in favour of the Resolution.

Shareholders are urged to carefully read the proxy form and provide a direction to the proxy on how to vote on this Resolution.

The Remuneration Report is set out in the Directors' Report section of the Company's Annual Financial Report for the year ended 30 September 2012. The Remuneration Report:

- explains the Board's policy for determining the nature and amount of remuneration of executive Directors;
- explains the relationship between the Board's remuneration policy and the Company's performance;
- sets out remuneration details for each Director and each senior executive of the Company; and
- details and explains any performance conditions applicable to the remuneration of executive Directors and senior executives of the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting.

Directors' recommendation

The Board unanimously recommends that Shareholders vote in favour of adopting the Remuneration Report.

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RESOLUTION 2 - RE-ELECTION OF FRANK DEMARTE AS A DIRECTOR

Resolution 2 seeks approval for the re-election of Mr Frank DeMarte as a Director with effect from the end of the Annual General Meeting.

Clause 13.2 of the Company's Constitution provides that at each annual general meeting one-third of the Directors (other than alternate Directors and the Managing Director) or, if their number is not a multiple of three, then the number nearest to but not more than one-third of the Directors must retire from office.

Mr Frank DeMarte retires in accordance with this requirement, and offers himself for re-election as a 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 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).

Directors' recommendation

The Directors (other than Mr DeMarte) unanimously recommend that shareholders vote in favour of the resolution to re-elect Mr DeMarte. Mr DeMarte makes no recommendation.

RESOLUTION 3 - ELECTION OF PHILIP G CRABB AS A DIRECTOR

Resolution 3 seeks approval for the election of Mr Philip G Crabb as a Director with effect from the end of the Annual General Meeting.

Clause 13.5 of the Company's Constitution provides that the Directors may at any time appoint a person to be a Director (but not as an alternate Director), either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors does not at any time exceed the maximum number specified by the Constitution. Any Director so appointed holds office only until the next following annual general meeting and is then eligible for election but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Philip G Crabb who retires from office in accordance with the requirements of clause 13.5 of the Company's Constitution and submits himself for election in accordance with clause 13.5.

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 42 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).

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Directors' recommendation

The Directors (other than Mr Crabb) unanimously recommend that shareholders vote in favour of the resolution to elect Mr Crabb. Mr Crabb makes no recommendation.

RESOLUTION 4 – RATIFICATION OF ISSUE OF SHARES

On 13 July 2012, a total of 22,200,000 Shares at an issue price of \$0.05 per Share were issued to sophisticated investors, to raise \$1.110 million (before costs) (**Placement**).

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval, provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The effect of such ratification is to restore a Company's maximum discretionary power to issue further shares up to 15% of the issued capital of the company without requiring Shareholder approval.

Pursuant to Resolution 4, the Directors are seeking ratification under Listing Rule 7.4 of the issue of a total of 22,200,000 Shares that was made on 13 July 2012 in order to restore the right of the Company to issue further shares within the 15% limit during the next 12 months.

The following information in relation to the Shares is provided to shareholders for the purposes of Listing Rule 7.5:

- (a) 22,200,000 Shares were allotted and issued;
- (b) the Shares were issued at an issue price of \$0.05 each;
- (c) the Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary shares on issue;
- (d) the Shares were issued to sophisticated investors, all of which are unrelated parties of the Company; and
- (e) funds raised from the issue are being used for the Company's exploration expenditure, cost of the issue and working capital.

RESOLUTION 5 – RATIFICATION OF ISSUE OF SHARES TO UNDERWRITERS

On 13 July 2012, 1,000,000 shares which were issued for no consideration. The issue was made to the Underwriters to the Placement as part of the compensation arrangements with the Underwriters, in accordance with an Underwriting Agreement dated 13 July 2012.

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval, provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The effect of such ratification is to restore a Company's maximum discretionary power to issue further shares up to 15% of the issued capital of the company without requiring Shareholder approval.

Pursuant to Resolution 5, the Directors are seeking ratification under Listing Rule 7.4 of the issue of a total of 1,000,000 Shares that was made on 13 July 2012 in order to restore the right of the Company to issue further shares within the 15% limit during the next 12 months.

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The following information in relation to the Shares is provided to shareholders for the purposes of Listing Rule 7.5:

- (a) 1,000,000 Shares were allotted and issued;
- (b) the Shares were issued for no consideration;
- (c) the Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary shares on issue;
- (d) the Shares were issued to the Underwriters, all of which are an unrelated parties of the Company; and
- (e) no funds were raised from the issue.

RESOLUTION 6 – APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY

Background

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital over a 12 month period after the annual general meeting at which a resolution for the purposes of Listing Rule 7.1A is passed by special resolution (**Additional 10% Placement Capacity**). The Additional 10% Placement Capacity is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An entity will be eligible to seek approval under Listing Rule 7.1A if: (a) the entity has a market capitalisation of \$300 million or less; and (b) the entity that is not included in the S&PASX 300 Index. The Company is an eligible entity for the purposes of Listing Rule 7.1A; it currently has, and it is anticipated that the Company will have as at the date of the Annual General Meeting, a market capitalisation of less than \$300 million and it is not included in the S&PASX 300 Index.

The number of Equity Securities to be issued under the Additional 10% Placement Capacity will be determined in accordance with the formula set out in Listing Rule 7.1A.2.

The Company is putting Resolution 6 to Shareholders to seek approval to issue additional Equity Securities under the Additional 10% Placement Capacity. It is anticipated that funds raised by the issue of Equity Securities under the Additional 10% Placement Capacity would be applied towards exploration and evaluation activities in the Company's projects, together with general working capital.

Listing Rule 7.1A

The effect of Resolution 6 will be to permit the Company to issue the Equity Securities under Listing Rule 7.1A during the Additional Placement Period (as defined below) without using the Company's 15% placement capacity under Listing Rule 7.1.

Equity Securities issued under the Additional 10% Placement Capacity must be in the same class as an existing quoted class of Equity Securities of the Company. As at the date of this Notice the Company has Shares and Listed Options on issue.

Based on the number of Shares on issue at the date of this Notice, the Company will have 231,078,428 Shares on issue and therefore, subject to Shareholder approval being sought under

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Resolution 6, 23,107,842 Equity Securities will be permitted to be issued in accordance with Listing Rule 7.1A. Shareholders should note that the calculation of the number of Equity Securities permitted to be issued under the Additional 10% Placement Capacity is a moving calculation and will be based the formula set out in Listing Rule 7.1A at the time of issue of the Equity Securities. The table below demonstrates various examples as to the number of Equity Securities that may be issued under the Additional 10% Placement Capacity.

Resolution 6 is a special resolution, requiring approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) in order to be passed.

Specific information required by Listing Rule 7.3A

The following information in relation to the Shares to be issued is provided to Shareholders for the purposes of Listing Rule 7.3A:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the volume weighted average price for the Company's Equity Securities calculated over the 15 Trading Days on which trades in those securities were recorded immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 6 is approved by Shareholders and the Company issues Equity Securities under the Additional 10% Placement Capacity, the existing Shareholders' economic and voting interests in the Company will be diluted. There is also a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders of the issue of the **maximum** number of Equity Securities under the Additional 10% Placement Capacity using different variables for the number of ordinary securities for variable "A" (as defined in Listing Rule 7.1A) and the market price of Shares. It is noted that variable "A" is based on the number of ordinary securities the Company has on issue at the time of the proposed issue of Equity Securities.

The table shows:

- (i) examples of where variable "A" is at its current level (being 231,078,428 Shares), and where variable "A" has increased by 50% and by 100%;
- (ii) examples of where the issue price of ordinary securities is the current market price as at close of trade on 7 January 2013, being \$0.05, (**current market price**), where the issue price is halved, and where it is doubled; and

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- (iii) the dilutionary effect will always be 10% if the maximum number of Equity Securities that may be issued under the Additional 10% Placement Capacity are issued.

Variable A	Number of Shares issued and funds raised under the Additional 10% Placement Capacity and dilution effect	Dilution		
		\$0.025 Issue Price at half the current market value	\$0.05 Issue Price at current market price	\$0.10 Issue Price at double the current market price
Current Variable A 231,078,428 Shares	Shares issued	23,107,842	23,107,842	23,107,842
	Funds raised	\$577,696.05	\$1,155,392.10	\$2,310,784.20
	Dilutions	10%	10%	10%
50% increase in current Variable A 346,617,642 Shares	Shares issued	34,661,764	34,661,764	34,661,764
	Funds raised	\$866,544.10	\$1,733,088.20	\$3,466,176.40
	Dilutions	10%	10%	10%
100% increase in current Variable A 462,156,856 Shares	Shares issued	46,215,686	46,215,686	46,215,686
	Funds raised	\$1,155,392.15	\$2,310,784.30	\$4,621,568.60
	Dilutions	10%	10%	10%

Note:

- (i) This table assumes that no Options (including any Options issued under the Additional 10% Placement Capacity) are exercised before the date of the issue of the Equity Securities;
 - (ii) This table assumes that the issue of Equity Securities under the Additional 10% Placement Capacity consists only of Shares. If the issue of Equity Securities includes quoted Options, for the purposes of the above table, it is assumed that those quoted Options are exercised into Shares for the purposes of calculating the voting dilution effect on existing Shareholders;
 - (iii) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting; and
 - (iv) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (c) Approval of the Additional 10% Placement Capacity will be valid from the date of the Annual General Meeting and will expire on the earlier of:
- (i) the date that is 12 months after the date of the Annual General Meeting; and
 - (ii) the date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(Additional Placement Period).

- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) *cash consideration:* If Equity Securities are issued for cash consideration, the Company intends to use the funds towards exploration and then evaluation activities, focusing on the Company's base metal projects, including the Pyramid Project, Curara Well Project and East Kimberley Project, access to strategic tenement assets and for general working capital purposes; or

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- (ii) *non-cash consideration:* If Equity Securities are not issued for cash consideration, the Company may issue such securities to acquire access to strategic tenements or assets identified by the Company to further its existing projects and future growth. If Equity Securities are issued for non-cash consideration, the Company will comply with the minimum issue price limitation under Listing Rule 7.1A.3 in relation to such issue and will release the valuation of the non-cash consideration to the market.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

- (e) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the Additional 10% Placement Capacity. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
 - (i) the ability of the Company to raise funds and methods available at the time of the proposed issue of Equity Securities and whether the raising of any funds under such placement could be carried out by means of an entitlements offer, or a placement and an entitlements offer, or other issue in which existing security holders can participate;
 - (ii) the dilutionary effect of the proposed of the issue of the Equity Securities on existing Shareholders at the time of proposed issued of Equity Securities and on the control of the Company;
 - (iii) the financial situation and solvency of the Company; and
 - (iv) advice from its professional advisers, including corporate, financial and broking advisers (if applicable).

The allottees under the Additional 10% Placement Capacity have not been determined as at the date of this Notice but will not include not related parties (or their associates) of the Company.

- (f) The Company has not previously obtained Shareholder approval under Listing Rule 7.1A.
- (g) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not determined its allocation policy for the issue of Equity Securities under the Additional 10% Placement Capacity. The Company has not approached, and has not yet determined to approach, any particular existing security holders or an identifiable class of existing security holders to participate in an offer under the Additional 10% Placement Capacity, and therefore no Shareholder will be excluded from voting on Resolution 6.

Directors' Recommendation

The Board recommends Shareholders vote in favour of Resolution 6.

RESOLUTION 7 – CHANGE OF COMPANY NAME

Resolution 7 is a special resolution and seeks Shareholder approval to change the name of the Company to 'Thundelarra Limited'. The adoption of the new name under Resolution 7 is to be approved by Shareholders under section 157(1) of the Corporations Act by way of special resolution. The reason for the change of name is because the existing name is too literal and generic.

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The change of name will take effect on the day the ASIC approves the change of name and does not affect the legal status of the Company.

Directors' Recommendation

The Board recommends Shareholders vote in favour of Resolution 7.

RESOLUTION 8 – EMPLOYEE SHARE OPTION PLAN

The Directors considered that it was desirable to establish an option plan under which employees may be offered the opportunity to subscribe for options to acquire Shares in order to increase the range of potential incentives available to them and to strengthen links between the Company and its employees and accordingly the Company adopted the Thundelarra Exploration Ltd Employee Share Option Plan ("**Plan**") on 15 December 2008.

The Plan is designed to provide incentives to the employees of the Company and to recognise their contribution to the Company's success. Under the Company's current circumstances, the Directors consider that the incentives to employees are a cost effective and efficient incentive for the Company as opposed to alternative forms of incentives such as cash bonuses or increased remuneration. To enable the Company to secure employees who can assist the Company in achieving its objectives, it is necessary to provide remuneration and incentives to such personnel. The Plan is designed to achieve this objective, by encouraging continued improvement in performance over time and by encouraging personnel to acquire and retain significant shareholdings in the Company.

Shareholder approval is required if any grant of options pursuant to the Plan is to fall within the exception to the calculation of the 15% limit imposed by Listing Rule 7.1 on the number of securities which may be issued without Shareholder approval. The Plan was previously approved by Shareholders on 27 February 2009, however additional Shareholder approval is sought at this Meeting for the purposes of Listing Rule 7.2 Exception 9(b) which provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme that has been approved by the holders of ordinary securities within three years of the date of issue.

If Resolution 8 is passed, the Company will have the ability to issue Options to eligible persons under the Plan over a period of 3 years without impacting on the Company's 15% placement capacity under Listing Rule 7.1. Prior Shareholder approval will be required before any related party of the Company can participate in the Plan.

Under the Plan, the Board may offer to eligible persons the opportunity to subscribe for such number of options as the Board may decide and on the terms set out in the rules of the Plan, a copy of which is contained in Annexure A of this Explanatory Memorandum. Options granted under the Plan will be offered to participants in the Plan on the basis of the Board's view of the contribution of the eligible person to the Company.

The Directors believe it is beneficial to obtain Shareholder approval under this Resolution for the purposes of Listing Rule 7.2, Exception 9(b) in order for the Board to be able to offer Options to eligible persons and retain the 15% placement capacity in Listing Rule 7.1 for capital raising purposes.

In accordance with the requirements of Listing Rule 7.2 Exception 9(b) the following information is provided:

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- (a) a copy of the rules of the Plan is attached as Annexure A to the Notice;
- (b) the Plan was previously approved by Shareholders on 27 February 2009. A total of 6,970,000 Options have previously been granted to employees under the Plan; and
- (c) a voting exclusion statement has been included for the purposes of Resolution 8.

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GLOSSARY

The following terms have the following meanings in the Notice and this Explanatory Memorandum:

"2013 Annual General Meeting" means the annual general meeting of the Company to be held in respect of the financial year ending 30 September 2013;

"Accounting Standards" has the meaning given to that term in the Corporations Act;

"Additional 10% Placement Capacity" has the meaning set out on page 10;

"Additional Placement Period" has the meaning set out on page 12;

"Annual General Meeting" or **"Meeting"** means the annual general meeting of the Company the subject of the Notice;

"Annual Report" means the annual report of the Company for the year ended 30 September 2012;

"ASX" means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

"Board" means the board of Directors;

"Business Day" means any day that ASX declares is a business day;

"Closely Related Party" has the meaning given to that term in the Corporations Act;

"Company" means Thundelarra Exploration Ltd ACN 085 782 994;

"Constitution" means the Constitution of the Company;

"Corporations Act" means Corporations Act 2001 (Cth);

"Director" means a director of the Company;

"Explanatory Memorandum" means this Explanatory Memorandum accompanying the Notice;

"Key Management Personnel" has the meaning given to that term in the Accounting Standards;

"Listing Rules" means the Listing Rules of the ASX;

"Notice" or **"Notice of Annual General Meeting"** means this notice of annual general meeting including the Explanatory Memorandum and the Proxy Form;

"Option" means an option to acquire a Share;

"Placement" means the private placement of 22,200,000 Shares at a price of \$0.05 per Share to sophisticated investors, to raise A\$1.110 million (before costs).

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"Plan" means the Thundelarra Exploration Ltd Employee Share Option Plan, the rules of which are contained in Annexure A to the Explanatory Memorandum;

"Proxy Form" means the proxy form accompanying this Notice;

"Remuneration Report" means the remuneration report set out in the Directors' report section of the Annual Report;

"Resolution" means a resolution proposed pursuant to the Notice;

"Restricted Voter" means Key Management Personnel and their Closely Related Parties;

"Share" means a fully paid ordinary share in the capital of the Company;

"Shareholder" means a holder of Shares;

"Trading Day" means a day determined by ASX to be a trading day in accordance with the Listing Rules;

"Underwriters" means Troca Enterprises Pty Ltd (ACN 092 766 839) as trustee for the Coulson Super Account Trust, Philip J Coulson, Chin Nominees Pty Ltd (ACN 008 798 865) as trustee for the Chin Nominees No 2 Super Account Trust and Siat Yoon Chin; and

"WST" means Western Standard Time as observed in Perth, Western Australia.

ANNEXURE A

RULES OF EMPLOYEE SHARE OPTION PLAN (approved by shareholders on 27 February 2009)

1. NAME OF PLAN

- 1.1 This Plan shall be called the Thundelarra Limited Employee Share Option Plan.

2. ESTABLISHMENT AND TERMINATION OF THE PLAN

- 2.1 The Board may establish and administer the Plan in accordance with the terms and conditions set out in these Rules and otherwise as it determines from time to time in its absolute discretion.
- 2.2 The Board may terminate the Plan, or suspend its operation for any period it considers desirable, at any time that it considers appropriate.
- 2.3 The Board may not issue any further Options after the Plan has been terminated. However, these Rules will continue to apply to Options on issue at the date of such termination until the last of those Options lapses or is exercised.

3. PURPOSE OF PLAN

- 3.1 The purpose of this Plan is to:
- (a) recognise the ongoing ability of the employees of the Company and their expected efforts and contribution in the long term to the performance and success of the Company;
 - (b) provide an incentive to the employees of the Company to remain in their employment in the long term;
 - (c) attract persons of experience and ability to employment with the Company and foster and promote loyalty between the Company and its employees; and
 - (d) provide employees of the Company with the opportunity to acquire Options, and ultimately Shares, in the Company, in accordance with these Rules.

4. OPERATION OF THE PLAN

- 4.1 The Plan operates according to these Rules which bind the Company and each Participant.
- 4.2 The number of Shares to be received on exercise of the Options the subject of an offer under the Plan when aggregated with:
- (a) the number of Shares which would be issued were each outstanding offer or Option, being an offer made or Option acquired pursuant to the Plan or any other employee share scheme extended only to employees or Directors of the Company, exercised; and

- (b) the number of Shares issued during the previous 5 years pursuant to the Plan or any other employee share scheme extended only to employees or Directors of the Company;

but disregarding any offer made, or Option acquired or Share issued by way of or as a result of:

- (c) an offer under the Plan to a person situated at the time of receipt of the Offer outside Australia; or
- (d) an offer under the Plan that did not need disclosure to investors because of section 708 of the Corporations Act; or
- (e) an offer made under a disclosure document,

must not exceed 5% of the total number of issued Shares as at the time of the offer under the Plan.

5. ELIGIBILITY

5.1 Subject to these Rules, the Board may from time to time determine that any Eligible Person is entitled to participate in the Plan and the extent of that participation. Prior to making that determination, the Board must consider:

- (a) the seniority of the relevant Eligible Person and the position the Eligible Person occupies within the Company;
- (b) the length of service of the Eligible Person with the Company;
- (c) the record of employment of the Eligible Person with the Company;
- (d) the potential contribution of the Eligible Person to the growth of the Company;
- (e) the extent (if any) of the existing participation of the Eligible Person (or any Permitted Nominee in relation to that Eligible Person) in the Plan; and
- (f) any other matters which the Board considers relevant.

5.2 The Board may exercise its powers in relation to the participation of any Eligible Person on any number of occasions.

6. OFFER OF OPTIONS

6.1 Subject to these Rules and to the Listing Rules, the Company (acting through the Board) may offer Options to any Eligible Person at such times and on such terms as the Board considers appropriate. Each offer must state:

- (a) the name and address of the Eligible Person to whom the offer is made;
- (b) that the Eligible Person to whom the offer is addressed may accept the

whole or any lesser number of Options offered;

- (c) the minimum number of Options and any multiple of such minimum or any other number which may be accepted;
- (d) the period within which the offer may be accepted, and the period or periods during which the Options or any of them may be exercised and the Expiry Date;
- (e) the method of calculation of the Exercise Price; and
- (f) any other matters which the Board may determine.

7. ACCEPTING OFFERS

7.1 Upon receipt of an offer of Options, an Eligible Person may, within the period specified in the offer:

- (a) accept the whole or any lesser number of Options offered by giving to the Company an Application Form; or
- (b) nominate a nominee in whose favour the Eligible Person wishes to renounce the offer by notice in writing to the Board. The Board may, in its absolute discretion, resolve not to allow such renunciation of an offer in favour of a nominee without giving any reason for such decision.

7.2 Upon:

- (a) receipt of the Application Form referred to in paragraph 8.1(a); or
- (b) the Board resolving to allow a renunciation of an offer in favour of a nominee ("Permitted Nominee") and the Permitted Nominee accepting the whole or any lesser number of Options offered by giving the Company an Application Form,

then the Eligible Person or the Permitted Nominee, as the case may be, will be taken to have agreed to be bound by these Rules and will be granted Options subject to these Rules.

7.3 If Options are issued to a Permitted Nominee or an Eligible Person, the Eligible Person must, without limiting any provision in these Rules, ensure that the Permitted Nominee complies with these Rules.

7.4 On the issue of Options following receipt by the Company of an Application Form, an Eligible Person or the Permitted Nominee, as the case may be, becomes a Participant.

8. NO CONSIDERATION

8.1 No consideration is payable by an Eligible Person for a grant of an Option, unless the Board decides otherwise.

9. CERTIFICATES

- 9.1 The Company must give a Participant one or more Certificates stating:
- (a) the number of Options issued to the Participant;
 - (b) the Exercise Price of those Options; and
 - (c) the Issue Date of those Options.
- 9.2 The Certificates for the Options will be dispatched within 10 Business Days after the Issue Date.

10. QUOTATION

- 10.1 The Company will not apply for Official Quotation of any Options.
- 10.2 If shares of the same class as those allotted pursuant to the exercise of Options granted under the Plan are listed on the ASX, the Company must apply for Official Quotation of those Shares allotted pursuant to the exercise of Options within the time required by the Listing Rules after the date of allotment.

11. NOT TRANSFERABLE

- 11.1 Subject to clauses 12.2 and 15.5, Options are not transferable.
- 11.2 Options may be transferred, by an instrument of transfer, in the following circumstances only:
- (a) a transfer constituting the necessary transfer documents following an acceptance of an offer made under an off-market bid relating to Options;
 - (b) a transfer to a bidder on the sale of the Options under Division 3 of Part 6A.1 of the Corporations Act;
 - (c) a transfer to a 100% holder on the sale of the Options under Division 2 of Part 6A.2 of the Corporations Act;
 - (d) transfer under Part 6A.3 of the Corporations Act to a person entitled to acquire the Options under section 661A or 664A of the Corporations Act; or
 - (e) a transfer approved by the Board in those circumstances as may be determined by the Board.

12. EXERCISE OF OPTIONS

- 12.1 Subject to these Rules and the terms of the Options, Options may be exercised at any time during the period commencing on the Issue Date and ending on the Expiry Date.
- 12.2 Notwithstanding paragraph 12.1, all Options may be exercised:

- (a) during a Bid Period; or
- (b) at any time after a Change of Control Event has occurred; or
- (c) on an application under section 411 of the Corporations Act, if a court orders a meeting to be held concerning a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company.

12.3 Options may only be exercised by the Participant giving notice in writing to the Board delivered to the registered office of the Company. The notice must specify the number of Options being exercised and the Exercise Price for the Options specified in the notice and must be accompanied by:

- (a) the Certificate for those Options, for cancellation by the Company; and
- (b) a cheque payable to the Company (or another form of payment acceptable to the Board) in the amount of the product of the number of Options then being exercised by the Participant and the Exercise Price.

The notice is only effective (and only becomes effective) when the Company has received value for the full amount referred to in paragraph (b).

12.4 Subject to paragraph 14.1, within 10 Business Days after the notice referred to in clause 12.3 becoming effective, the Board must:

- (a) allot and issue the number of Shares to be issued in respect of the Options being exercised;
- (b) cancel the Certificate for the Options being exercised; and
- (c) if applicable, issue a new Certificate for any remaining Options covered by the Certificate accompanying the notice.

12.5 The Board may, at its discretion, by notice to the Participant reduce, waive or vary (provided such variation is not adverse to the Participant) the Exercise Conditions attaching to Options in whole or in part at any time and in any particular case.

13. SHARES ALLOTTED ON EXERCISE OF OPTIONS

13.1 All Shares allotted upon exercise of the Options rank *pari passu* in all respects with Shares previously issued and, in particular, entitle the holders of Shares to participate fully in:

- (a) dividends declared by the Company after the date of allotment; and
- (b) all issues of securities made or offered pro rata to holders of Shares.

14. LAPSE OF OPTIONS

- 14.1 Options not validly exercised on or before the Expiry Date will automatically lapse.
- 14.2 Unless otherwise determined by the Board, if any Options are granted subject to Exercise Conditions and, prior to satisfaction of the Exercise Conditions (such that the Options are not exercisable), an Eligible Person ceases to be an Eligible Person then:
- (a) if the Eligible Person ceases to be an Eligible Person for any reason other than a Specified Reason, any such Options held by such Eligible Person, or if appropriate, his or her Permitted Nominee, will automatically lapse; and
 - (b) if the Eligible Person ceases to be an Eligible Person for a Specified Reason, such Eligible Person, or if appropriate, his or her Permitted Nominee, may exercise any such Options held by him or her within:
 - (i) 3 months of the date of (as the case may be) Retirement, Redundancy, death or Total and Permanent Disablement; or
 - (ii) such longer period as the Board determines,subject to the Board, in its absolute discretion, reducing, waiving or varying the Exercise Conditions applying to those Options in accordance with clause 12.5 so that those Options may be exercised. Options the subject of clause 14.2(b) not exercised within 3 months or the longer period determined by the Board, will automatically lapse.
- 14.3 Unless otherwise determined by the Board, if an Eligible Person ceases to be an Eligible Person at any time after an Option is or has become exercisable, then:
- (a) if the Eligible Person ceases to be an Eligible Person for any reason other than a Specified Reason, such Eligible Person, or if appropriate, his or her Permitted Nominee, may exercise any such Options held by him or her within:

- (i) 1 month of ceasing to be an Eligible Person; or
- (ii) such longer period as the Board determines,

and any Options the subject of this clause not exercised within 1 month or the longer period determined by the Board, will automatically lapse; and

- (b) if an Eligible Person ceases to be an Eligible Person for a Specified Reason, such Eligible Person, or if appropriate, his or her Permitted Nominee is entitled to exercise any such Option at any time prior to its Expiry Date.

14.4 A certificate signed by the company secretary of the Company stating that a person ceased for any reason to be an Eligible Person shall (in the absence of manifest error) be conclusive for the purposes of the Plan, both as to such occurrence and the reason for such occurrence and the date of such occurrence.

14.5 Subject to clause 14.2, if at any time prior to the Expiry Date of any Options a Holder dies, the deceased Holder's Legal Personal Representative may:

- (a) elect to be registered as the new Holder of the deceased Holder's Options;
- (b) whether or not he or she becomes so registered, exercise those Options in accordance with and subject to these Rules as if he were the Holder of them; and
- (c) if the deceased Holder had already given the Company a notice of exercise of his or her Options, pay the Exercise Price in respect of those Options.

15. PARTICIPATION RIGHTS, BONUS ISSUES, RIGHTS ISSUES, REORGANISATIONS OF CAPITAL AND WINDING UP

15.1 New Issues

- (a) Participants are not entitled to participate in any new issue of securities to existing holders of Shares in the Company unless:
 - (i) they have become entitled to exercise their Options under the Plan; and
 - (ii) they do so before the record date for the determination of entitlements to the new issue of securities and participate as a result of being holders of Shares.
- (b) The Company must give Participants, in accordance with the Listing Rules, notice of any new issue of securities before the record date for determining entitlements to the new issue.

15.2 Bonus Issues

If there is a bonus share issue ("Bonus Issue") to the holders of Shares, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the Holder would have received if the Option had been exercised before the record date for the Bonus Issue ("Bonus Shares"). The Bonus Shares must be paid up by the Company out of the profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank pari passu in all respects with the other shares of that class on issue at the date of issue of the Bonus Shares.

15.3 Pro Rata Issues

If there is a pro rata issue (other than a Bonus Issue) to the holders of Shares during the currency of, and prior to the exercise of any Options, the Exercise Price of an Option will be adjusted in the manner provided for in the Listing Rules.

15.4 Reorganisation of Capital

If, prior to the expiry of any Options, there is a reorganisation of the issued capital of the Company, then the rights of a Participant (including the number of Options to which each Participant is entitled and the Exercise Price) is changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

15.5 Winding Up

If, prior to the expiry of any Options, a resolution for a members' voluntary winding up of the Company is proposed (other than the purpose of a reconstruction or amalgamation) the Board may, in its absolute discretion, give written notice to Participants of the proposed resolution. Subject to the Exercise Conditions, the Participants may, during the period referred to in the notice, exercise their Options.

15.6 Fractions of Shares

For the purpose of this clause 15, if Options are exercised simultaneously, then the Participant may aggregate the number of Shares or fractions of Shares for which the Participant is entitled to subscribe. Fractions in the aggregate number only will be disregarded in determining the total entitlement of a Participant.

15.7 Calculations and Adjustments

Any calculations or adjustments which are required to be made under this clause 15 will be made by the Board and, in the absence of manifest error, are final and conclusive and binding on the Company and the Participant.

15.8 Notice of Change

The Company must within a reasonable period give to each Participant notice of any change under clause 15 to the Exercise Price of any Options held by the Participant or to the number of Shares which the Participant is entitled to subscribe for on exercise of an Option.

16. EXERCISE PRICE OF OPTIONS

- 16.1 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.

17. AMENDMENTS TO THE RULES

17.1 Board May Alter Rules

The Board may subject to clause 17.3 and the Listing Rules alter, delete or add to these Rules at any time (save for the provisions of clause 4.2).

17.2 Alteration of clause 4.2

The Board may alter clause 4.2 with the prior approval by ordinary resolution of the shareholders of the Company in a general meeting.

17.3 Consent of Participants

If any amendment to be made under clause 17.1 would adversely affect the rights of Participants in respect of any Options then held by them, the Board must obtain the consent of Participants who between them hold not less than 75% of the total number of those Options held by all those Participants before making the amendment.

17.4 Eligible Persons Outside Australia

The Board may make any additions, variations or modifications to the Rules, in relation to the implementation of the Plan and the specific application of the Rules to Eligible Persons residing outside Australia.

18. POWERS OF THE BOARD

18.1 The Plan shall be administered by the Board who shall have the power to:

- (a) determine appropriate procedures and make regulations for the administration of the Plan which are consistent with these Rules;
- (b) resolve conclusively all questions of fact or interpretation arising in connection with the Plan;
- (c) terminate or suspend the operation of the Plan at any time, provided that the termination or suspension does not adversely affect or prejudice the rights of Participants holding Options at that time;
- (d) delegate those functions and powers it considers appropriate, for the efficient administration of the Plan, to any one or more persons whom the Board reasonably believes to be capable of performing those functions and exercising those powers, for such period and on such conditions as the Board may determine;

- (e) take and rely upon independent professional or expert advice in or in relation to the exercise of any of their powers or discretions under these Rules;
- (f) administer the Plan in accordance with these Rules as and to the extent provided in these Rules; and
- (g) make regulations for the operation of the Plan consistent with these Rules.

19. NOTICES

- 19.1 Notices may be given by the Company to any Holder either personally or by sending by post to his or her address as noted in the Company's records or to the address (if any) within the Commonwealth of Australia supplied by him to the Company for the giving of notices. Notices for any overseas Holders shall be forwarded and posted by air. Where a notice is sent by post the notice shall be deemed to be served on the day after posting. The signature of any notice may be given by any Director or secretary of the Company. A notice of exercise given under clause 13.3 shall not be deemed to be served on the Company until actually received.

20. NO COMPENSATION OR DAMAGES

- 20.1 The rights and obligations of any Holder under the terms of his or her employment with the Company are not affected by his or her participation in the Plan.
- 20.2 These Rules do not form part of, and will not be incorporated into, any contract of engagement or employment between a Holder and the Company.
- 20.3 No Holder has any rights to compensation or damages as a result of the termination of his or her employment, so far as those rights arise or may arise from the Holder ceasing to have rights under the Plan as a result of the termination.
- 20.4 Participants do not, as Participants, have any right to attend or vote at general meetings of holders of Shares.

21. GOVERNING LAW

- 21.1 The Plan and any Options issued under it are governed by the laws of Western Australia and the Commonwealth of Australia.
- 21.2 Each Participant irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia, the Commonwealth of Australia and courts entitled to hear appeals from those courts.

22. ADVICE

- 22.1 Eligible Persons should obtain their own independent advice at their own expense on the financial, taxation and other consequences to them of or relating to participation in the Plan.

23. DEFINITIONS AND INTERPRETATION

- 23.1 In these Rules, unless the context otherwise requires, the following words and expressions shall have the following meanings:

"Application Form" means a duly completed and executed application for the issue of Options made by an Eligible Person or Permitted Nominee in respect of an Offer, in the form approved by the Board from time to time;

"ASX" means Australian Stock Exchange Limited;

"Bid Period", in relation to a takeover bid in respect of shares in the Company, means the period referred to in the definition of that expression in section 9 of the Corporations Law provided that where a takeover bid is publicly announced prior to the service of a bidder's statement on the Company in relation to that takeover bid, the Bid Period shall be deemed to have commenced at the time of that announcement;

"Board" means the directors acting as the board of directors of the Company or a committee appointed by such board of directors;

"Business Day" means a day on which banks are open for business in Perth excluding a Saturday, Sunday or public holiday;

"Certificate" means the certificate issued in accordance with clause 9 by the Company to a Holder in respect of an Option;

"Change of Control Event" means a shareholder, or a group of associated shareholders, becoming entitled to sufficient shares in the Company to give it or them the ability, and that ability is successfully exercised, in general meeting, to replace all or a majority of the Board;

"Company" means Thundelarra Exploration Ltd ACN 085 782 994;

"Corporations Act" means Corporations Act 2001 (Cth);

"Director" means a director of the Company from time to time but does not include a person who is only a director by virtue of being an alternate director;

"Eligible Person" means at any time a person who then is an employee (whether full-time or part-time) of the Company or of an associated body corporate of the Company;

"Exercise Condition" means the performance, vesting or other conditions (if any) determined by the Board and specified in an Offer which are, subject to

these Rules, required to be satisfied, reached or met before an Option can be exercised;

"Exercise Price" means, in respect of an Option, the subscription price per Share, determined in accordance with clause 16, payable by a Holder on exercise of the Option;

"Expiry Date" means, in relation to an Option, the date 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;

"Holder" means, in relation to an Option, the person (whether an Eligible Person or a Permitted Nominee) entered in the Company's register of options as the holder of that Option;

"Issue Date" means, in relation to an Option, the date on which the Company grants that Option;

"Legal Personal Representative" means the executor of the will or an administrator of the estate of a deceased person, the trustee of the estate of a person under a legal disability or a person who holds an enduring power of attorney granted by another person;

"Listing Rules" means the Official Listing Rules of ASX as they apply to the Company from time to time;

"Market Value" means, if the Company is admitted to the official list of ASX:

- (a) the weighted average closing sale price of the Shares recorded on the stock market of ASX over the five trading days immediately preceding the day on which the Board resolves to offer an Option; or
- (b) in circumstances where there has been no trading in the Shares during the five trading days immediately preceding the day on which the Board resolves to offer an Option, the last sale price recorded on the stock market of ASX;

"Offer" means an invitation to an Eligible Person made by the Company under clause 6.1 to apply for an issue of Options;

"Official Quotation" has the meaning ascribed to it in the Listing Rules;

"Option" means an option issued under the Plan to subscribe for a Share;

"Participant" means a person who holds Options issued under the Plan and includes, if a Participant dies or becomes subject to a legal disability, the Legal Personal Representative of the Participant;

"Permitted Nominee" has the meaning given to it by clause 7.2;

"Plan" means the Thundelarra Exploration Ltd Employee Share Option Plan established in accordance with these Rules;

"Redundancy" means, in relation to an Eligible Person, a determination by the Board that the Company's need to employ a person for the particular kind of work carried out by that Eligible Person has ceased (but, for the avoidance of any doubt, does not include the dismissal of an Eligible Person for personal or disciplinary reasons or where the Eligible Person leaves the employ of the Company of his or her own accord);

"Retirement" means, in relation to an Eligible Person, retirement by that Eligible Person from the Company at age 60 or over or such earlier age as considered appropriate by the Board;

"Rules" means these rules, as amended from time to time;

"Series" means, in relation to Options, Options with a common Issue Date;

"Shares" means fully paid ordinary shares in the capital of the Company;

"Specified Reason" means Retirement, Total and Permanent Disablement, Redundancy or death;

"Tax" means any tax, levy, impost, GST, deduction, charge, rate, contribution, duty or withholding which is assessed (or deemed to be assessed), levied, imposed or made by any government or any governmental, semi-governmental or judicial entity or authority together with any interest, penalty, fine, charge, fee or other amount assessed (or deemed to be assessed), levied, imposed or made on or in respect of any or all of the foregoing; and

"Total and Permanent Disablement" means, in relation to an Eligible Person, that the Eligible Person has, in the opinion of the Board and with effect on a date determined by the Board, after considering such medical and other evidence as it sees fit, become incapacitated to such an extent as to render the Eligible Person unlikely ever to engage in any occupation for which he is reasonably qualified by education, training or experience.

23.2 In these Rules, unless a contrary intention appears:

- (a) where an expression is defined, another part of speech or grammatical form of that expression has a corresponding meaning;
- (b) the singular includes the plural and vice versa;
- (c) a reference to a gender includes all genders; and
- (d) an expression defined in, or given a meaning for the purposes of, the Corporations Act has the same meaning where used in these Rules.