



THUNDELARRA

22 January 2014

NOTICE OF ANNUAL GENERAL MEETING

The Notice of Annual General Meeting including the Explanatory Memorandum and the Proxy Form will be mailed to shareholders today in relation to the 2013 Annual General Meeting of the Thundelarra Limited to be held on Friday 28 February 2014 at 10.30 am (WST).

For further Information please contact:

Frank DeMarte
Company Secretary
+61 8 9389 6927

THUNDELARRA LIMITED
Issued Shares: 258.8M
ASX Code: THX

THUNDELARRA LIMITED
ACN 085 782 994

NOTICE OF ANNUAL GENERAL MEETING
EXPLANATORY MEMORANDUM
AND
PROXY FORM

Date of Meeting
28 February 2014

Time of Meeting
10.30 am WST

Place of Meeting

The Boardroom
Stantons International
Level 2, 1 Walker Avenue, West Perth
Western Australia

THUNDELARRA LIMITED
ACN 085 782 994

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Shareholders of Thundelarra Limited ACN 085 782 994 (“**Company**”) will be held at The Boardroom, Stantons International, Level 2, 1 Walker Avenue, West Perth, Western Australia on 28 February 2014 at 10.30 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 and consider the Financial Statements of the Company for the year ended 30 September 2013, 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 2013 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 Voter. 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.

If you are a Restricted Voter and purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

Resolution 2 – Re-election of Mr Malcolm R J Randall as a Director

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

“That Mr Malcolm R J Randall, being a Director who retires by rotation in accordance with Rule 13.2 of the Company's Constitution and, being eligible for re-election, be re- elected as a Director.”

Resolution 3 – Placement of shares to Mr Philip G Crabb or his nominee(s)

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

“That, for the purposes of section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, the Directors are authorised to issue to Mr Philip G Crabb or his nominee(s) 14,705,882 Shares at an issue price of \$0.034 per Share.”

Voting exclusion statement: The Company will disregard any votes cast on Resolution 3 by Mr Philip G Crabb and any associate of Mr Philip G Crabb. 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 Resolution 3; and
- (b) it is not cast on behalf of Mr Philip G Crabb or an associate of Mr Philip G Crabb.

For the purpose of this voting exclusion statement “associate” shall have the meaning set out in sections 12 and 16 of the Corporations Act. Section 12 of the Corporations Act is to be applied as if it was not confined to associate references occurring in Chapter 6 of the of the Corporations Act and on the basis that the Company is the “designated body”. “Associate” also includes a related party of Philip G Crabb.

Resolution 4 – Approval to Grant Options to a Director – Mr Philip G Crabb or his nominee(s)

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

“That, for the purposes of section 208 of the Corporations Act and Listing Rule 10.11 and for all other purposes, the Directors are authorised to grant and issue to Mr Philip G Crabb (or his nominee or nominees) 1,500,000 Options for no consideration, each with an exercise price equal to the greater of:

- a) a premium of 68% to the VWAP of the Shares on ASX on the 5 days on which sales of the Shares are recorded before the date of this Meeting (rounded up to the nearest cent); and*
- b) 6 cents,*

and an expiry date of 28 February 2019, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting (including Annexure A to the Explanatory Memorandum).”

The Company will disregard any votes cast on Resolution 4 by Mr Philip G Crabb and any associate of Mr Philip G Crabb. However, the Company need not disregard a vote if it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on Resolution 4 and it is not cast on behalf of Mr Philip G Crabb or an associate of Mr Philip G Crabb.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 4 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 4; 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 4.

Shareholders may also choose to direct the Chair to vote against Resolution 4 or to abstain from voting.

If you are a Restricted Voter and purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

For the purpose of this voting exclusion, the statement “associate” shall have the meaning set out in sections 12 and 16 of the Corporations Act. Section 12 of the Corporations Act is to be applied as if it was not confined to associate references coming out of Chapter 6 of the Corporations Act and on the basis that the Company is the “designated body”. “Associate” also includes a related party of Mr Philip G Crabb.

Resolution 5 – Approval to Grant Options to a Director – Mr Frank DeMarte or his nominee(s)

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

“That, for the purposes of section 208 of the Corporations Act and Listing Rule 10.11 and for all other purposes, the Directors are authorised to grant and issue to Mr Frank DeMarte (or his nominee or nominees) 5,000,000 Options for no consideration, each with an exercise price equal to the greater of:

- a) a premium of 68% to the VWAP of the Shares on ASX on the 5 days on which sales of the Shares are recorded before the date of this Meeting (rounded up to the nearest cent); and*
- b) 6 cents,*

and an expiry date of 28 February 2019, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting (including Annexure A to the Explanatory Memorandum).”

The Company will disregard any votes cast on Resolution 5 by Mr Frank DeMarte and any associate of Mr Frank DeMarte. However, the Company need not disregard a vote if it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on the Resolution 5 and it is not cast on behalf of Mr Frank DeMarte or an associate of Mr Frank DeMarte.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 5 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 5; 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 5. Shareholders may also choose to direct the Chair to vote against Resolution 5 or to abstain from voting.

If you are a Restricted Voter and purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

For the purpose of this voting exclusion, the statement “associate” shall have the meaning set out in sections 12 and 16 of the Corporations Act. Section 12 of the Corporations Act is to be applied as if it was not confined to associate references coming out of Chapter 6 of the Corporations Act and on the basis that the Company is the “designated body”. “Associate” also includes a related party of Mr Frank DeMarte.

Resolution 6 – Approval to Grant Options to a Director – Mr Malcolm R J Randall or his nominee(s)

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

“That, for the purposes of section 208 of the Corporations Act and Listing Rule 10.11 and for all other purposes, the Directors are authorised to grant and issue to Mr Malcolm J Randall (or his nominee or nominees) 1,500,000 Options for no consideration, each with an exercise price equal to the greater of:

- a) a premium of 68% to the VWAP of the Shares on ASX on the 5 days on which sales of the Shares are recorded before the date of this Meeting (rounded up to the nearest cent); and*
- b) 6 cents,*

and an expiry date of 28 February 2019, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting (including Annexure A to the Explanatory Memorandum).”

The Company will disregard any votes cast on Resolution 6 by Mr Malcolm J Randall and any associate of Mr Malcolm J Randall. However, the Company need not disregard a vote if it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on the Resolution 6 and it is not cast on behalf of Mr Malcolm J Randall or an associate of Mr Malcolm J Randall.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 6 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 6; 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 6. Shareholders may also choose to direct the Chair to vote against Resolution 6 or to abstain from voting.

If you are a Restricted Voter and purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under

the Corporations Act.

For the purpose of this voting exclusion, the statement “associate” shall have the meaning set out in sections 12 and 16 of the Corporations Act. Section 12 of the Corporations Act is to be applied as if it was not confined to associate references coming out of Chapter 6 of the Corporations Act and on the basis that the Company is the “designated body”. “Associate” also includes a related party of Mr Malcolm J Randall.

Resolution 7 – Approval to Grant Options to CEO, Mr Antony Lofthouse or his nominee(s)

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

The Directors are authorised to grant and issue to Mr Antony Lofthouse (or his nominee or nominees) 5,000,000 Options for no consideration, each with an exercise price equal to the greater of:

- a) a premium of 68% to the VWAP of the Shares on ASX on the 5 days on which sales of the Shares are recorded before the date of this Meeting (rounded up to the nearest cent); and*
- b) 6 cents,*

and an expiry date of 28 February 2019, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting (including Annexure A to the Explanatory Memorandum).”

The Company will disregard any votes cast on Resolution 7 by Mr Antony Lofthouse and any associate of Mr Antony Lofthouse. However, the Company need not disregard a vote if it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on the proposed Resolution and it is not cast on behalf of Mr Antony Lofthouse or an associate of Mr Antony Lofthouse.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 7 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 7; 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 7. Shareholders may also choose to direct the Chair to vote against Resolution 6 or to abstain from voting.

For the purpose of this voting exclusion, the statement “associate” shall have the meaning set out in sections 12 and 16 of the Corporations Act. Section 12 of the Corporations Act is to be applied as if it was not confined to associate references coming out of Chapter 6 of the Corporations Act and on the basis that the Company is the “designated body”. “Associate” also includes a related party of Mr Antony Lofthouse.

Resolution 8 – Approval for the sale of Hayes Creek Uranium Assets

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

“That for the purposes of Listing Rule 11.4.1(b) and for all other purposes, the Shareholders approve the sale of the Hayes Creek Uranium Assets pursuant to the Mining Asset Sale Agreement entered into by the Company, Element 92 Pty Ltd and the Purchaser, as described in the Explanatory Memorandum.”

Voting exclusion statement: The Company will disregard any votes cast on Resolution 8 by the Purchaser and any associate of the Purchaser. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) 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.

For the purpose of this voting exclusion statement “associate” shall have the meaning set out in sections 12 and 16 of the Corporations Act. Section 12 of the Corporations Act is to be applied as if it was not confined to associate references occurring in Chapter 6 of the of the Corporations Act and on the basis that the Company is the “designated body”. “Associate” also includes a related party of the Purchaser.

Resolution 9 – 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, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the 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 9 by any person who may participate in the proposed issue the subject of Resolution 9 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.

For the purpose of this voting exclusion statement “associate” shall have the meaning set out in sections 12 and 16 of the Corporations Act. Section 12 of the Corporations Act is to be applied as if it was not confined to associate references occurring in Chapter 6 of the Corporations Act and on the basis that the Company is the “designated body”.

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: 6 January 2014

VOTING AND PROXIES

- Votes at the Annual General Meeting may be given personally or by proxy, attorney or representative.
- Shareholders, or their attorneys, who plan to attend the Annual General Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Annual General Meeting, if possible, so that their holding may be checked against the Company's share register and their attendance record. Attorneys should bring with them an original or certified copy of the Power of Attorney under which they have been authorised to attend and vote at the Annual General Meeting.
- A Shareholder entitled to attend and vote at the Annual General Meeting may appoint not more than two proxies to attend, speak 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.
- 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, or his attorney duly authorised.
- The original instrument of proxy (and the power of attorney or other authority, if any, under which it is signed (duly stamped where necessary)) or a certified copy of that proxy, power or authority must be lodged by person, post, courier or facsimile and must reach the Registered Office of the Company 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 instrument of proxy to be effective it must be received by 10.30 am (WST) Wednesday 26 February 2014. Proxies lodged after this time will be invalid.

Lodge your Proxy Form:

By Mail

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to

(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For all enquiries call

(within Australia) 1300 850 505 (outside Australia) +61 3 9415 4000

- Should any resolution, other than those specified in this Notice be proposed at the Annual General Meeting, a proxy may vote on that resolution as they think fit.
- 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, 4, 5, 6 and 7 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.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholders' behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- 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

In accordance with regulations 7.11.37 and 7.11.38 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 10.30 am Western Standard Time on 26 February 2014.

Corporations

A Shareholder that is 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 requirements of section 250D of the Corporations Act. The representative should bring written proof of the representative's appointment (including any authority under which it is signed) to the Annual General Meeting.

THUNDELARRA LIMITED
ACN 085 782 994
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 the 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 2013 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.

The Chairman will also allow a reasonable opportunity for the auditor to answer any written questions submitted to the auditor under section 250PA of the Corporations Act.

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 that the Remuneration Report be adopted must be put to Shareholders at the Annual General Meeting.

Shareholders are advised that pursuant to section 250R(3) of the Corporations Act, the vote on this Resolution is advisory only and does not bind the Directors or the Company. The Remuneration Report is set out in the Company's Annual Report and is also available on the Company's website (www.thundelarra.com).

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 2015 Annual General Meeting, the Company will be required to put a resolution to the 2015 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 2015 Annual General Meeting. All of the Directors who were in office when the 2014 Directors' Report was approved, other than the Managing Director, will (if desired) need to stand for re-election at the spill meeting.

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 2013 Annual Financial Report. 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;
- sets out any services agreements between the Company and any Director and any equity based compensation; 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.

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

The Remuneration Report for the financial year ended 30 September 2013 did not receive a vote of more than 25% against its adoption at the Company's last annual general meeting held on 28 February 2013. Accordingly, if at least 25% of the votes cast on Resolution 1 are against adoption of the Remuneration Report it will not result in the Company putting a spill resolution to Shareholders.

RESOLUTIONS 2 - RE-ELECTION OF MALCOLM R J RANDALL AS A DIRECTOR

Resolution 2 seeks approval for the re-election of Mr Malcolm R J Randall as a Director with effect from the end of the meeting.

Rule 13.2 of the 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.

Malcolm R J Randall retires in accordance with this requirement, and offers himself for re-election as a Director.

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 20 years with the Rio Tinto group of companies. His experience has covered a diverse range of mineral activities including Iron Ore, Base Metals, Uranium, Minerals sands and Coal.

Mr Randall has held the position of Chairman and director of several ASX listed companies. Mr Randall has been an independent non-executive director of Thundelarra since 2003 and is currently also on the board of Iron Ore Holdings Limited, Matilda Zircon Ltd (Chairman), Summit Resources Ltd and Royal Resources Ltd.

The Directors (other than Mr Randall) recommend Shareholders vote in favour of Resolution 2.

RESOLUTION 3 – PLACEMENT OF SHARES TO MR PHILIP G CRABB OR HIS NOMINEE(S)

On 12 December 2013, the Company agreed, subject to obtaining Shareholder approval, to issue 14,705,882 Shares at an issue price of \$0.034 per Share to Mr Philip G Crabb, or his nominee(s), to raise \$500,000.

Related party transactions

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a *related party* of the public company *unless* either:

- (a) the giving of the financial benefits falls within one of the nominated exceptions to the provision; or
- (b) Shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E of the Corporations Act, Mr Crabb is a related party of the Company.

The Board (in the absence of Mr Crabb) has considered the proposed placement of Shares to Mr Crabb or his nominee, and taking into consideration the factors outlined in ASIC Regulatory Guide 76: *Related party transactions* has determined that the proposed issue of Shares to Mr Crabb is on terms that would be reasonable in the circumstances if the Company and Mr Crabb were dealing at arm's length. However, notwithstanding the Board's view, it has elected to place the matter before Shareholders and seek approval under the related party provisions of the Corporations Act.

Information Requirements – Chapter 2E of the Corporations Act

For the purposes of Chapter 2E of the Corporations Act, the following information is provided.

The related party to whom the Resolution 2 would permit the financial benefit to be given and the nature of the financial benefit

Subject to Shareholder approval, 14,705,882 Shares will be issued to Mr Philip Crabb or his nominee(s) at an issue price of \$0.034 per Share. \$500,000 must be paid by Mr Crabb or his nominee to acquire the Shares.

Mr Crabb is a substantial shareholder of the Company. The impact of passing Resolution 3 on Mr Crabb's voting power in the Company, assuming he receives the full placement of 14,705,882 Shares is set out in the following table:

Number of Shares held both directly and indirectly	Number of Options held directly and indirectly	Percentage voting power in the Company on an undiluted basis (Total issued share capital of the Company is 270,353,562)	Percentage voting power in the Company on a fully diluted basis (Total issued share capital of the Company is 295,178,562)
48,047,215	2,750,000	17.77%	16.28%

The details of the financial benefit including reasons for giving the type and quantity of the benefit

The financial benefit to be given to Mr Crabb or his nominee is the issue of Shares at an issue price of \$0.034 per Share to raise \$500,000. The issue price of the Shares proposed to be issued under Resolution 3 is the same as the issue price of Shares issued under a Share Purchase Plan offer conducted by the Company which closed on 6 September 2013.

The Company requires additional working capital. The Company has been actively seeking other funding alternatives with non-related parties on the same terms in a very difficult market for small exploration companies in the resources sector without success.

Mr Crabb's current holdings

As at the date of this Notice, Mr Crabb has a relevant interest in 33,341,333 Shares and 2,750,000 options.

Dilution effect of issue of Shares on existing members' interests

If passed, Resolution 3 will give the Directors power to issue 14,705,882 Shares.

The Company presently has 255,647,680 quoted Shares on issue and 24,825,000 unquoted Options as follows:

Number of unquoted Options	Exercise Price	Expiry Date
4,250,000	\$0.20	28 February 2014
6,750,000	\$0.64	25 February 2015
6,750,000	\$0.84	27 February 2016
725,000	\$0.39	30 June 2014
2,000,000	\$0.23	28 February 2017
1,000,000	\$0.25	16 April 2014
1,000,000	\$0.45	16 April 2015
2,350,000	\$0.09	31 October 2015

Assuming all existing unquoted options on issue (which are "out of the money" as at the date of this Notice) have not been exercised, the effect would be to dilute the shareholding of existing Shareholders by 5.75%.

Company's historical Share price

The following table gives details of the highest, lowest and latest closing prices of the Company's Shares trading on ASX over the past 12 months ending on 3 January 2014:

Highest Price	Date of highest price	Lowest Price	Date of lowest price	Latest Price on 3 January 2014
11.5 cents	7 March 2013	2.2 cents	25 June 2013	3.7 cents

Other Information

Other than as disclosed in this Explanatory Memorandum, the Directors do not consider that from an economic and commercial point of view, there are any costs or detriments including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in issuing the Shares pursuant to Resolution 3.

Neither the Directors nor the Company are aware of other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by Resolution 3.

Directors' recommendation

All the Directors were available to make a recommendation. For the reasons noted above:

Messrs DeMarte and Randall (who have no interest in the outcome of Resolution 3) recommend that Shareholders vote in favour of Resolution 3. Mr Crabb declines to make a recommendation about Resolution 3 as he has an interest in the outcome of Resolution 3 as it relates to the proposed issue of Shares to him or his nominee(s). The Board (other than Mr Crabb) is not aware of any other information that would reasonably be required by the Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 3.

Information Requirements - Listing Rules 10.11 and 10.13

Listing Rule 10.11 requires Shareholder approval by ordinary resolution for any issue of securities by a listed company to a related party. Accordingly, Listing Rule 10.11 requires Shareholders to approve the proposed issue of Shares to Mr Crabb or his nominee(s).

The impact of passing Resolution 3 on Mr Crabb's voting power in the Company is set out above.

The following information in relation to the Shares proposed to be issued pursuant to Resolution 3 is provided to Shareholders for the purposes of Listing Rule 10.13:

- (a) the Shares will be issued to Mr Philip G Crabb or his nominee(s);
- (b) the maximum number of Shares to be issued is 14,705,882;
- (c) the Shares will be issued on a date which will be no later than 1 month after the date of this Meeting, unless otherwise extended by way of ASX granting a waiver to the Listing Rules;
- (d) the Shares will be issued at an issue price of \$0.034 per Share;
- (e) \$500,000 will be raised by the issue of the Shares which will be applied firstly to new exploration at Red Bore and Curara Well; secondly to ongoing exploration at Allamber, Sophie Downs, Frank Hill and other projects as required; and third to pay costs of the capital raising, costs associated with the Red Bore dispute and general working capital requirements; and
- (f) the Shares to be issued are fully paid ordinary Shares which rank equally in all respects with existing Shares.

If approval is given for the issue of the Shares under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

RESOLUTIONS 4 TO 6 – APPROVAL TO GRANT OPTIONS TO DIRECTORS OR THEIR NOMINEE(S)

The Company proposes to grant a total of 8,000,000 Options to Messrs Philip G Crabb, Frank DeMarte and Malcolm R J Randall or their nominees (together the "**Participating Directors**"). The Options will have an exercise price which is equal to the greater of:

- a premium of 68% to the VWAP of the Shares on ASX on the 5 days on which sales of the Shares are recorded before the date of this Meeting (rounded up to the nearest cent); and
- 6 cents,

and have an expiry date of 28 February 2019.

The Board has determined the exercise price of the Options with regard to the market value of the Company's Shares, and considers 68% or 6 cents (whichever is the greater) to be a suitable premium to meet the objectives of the proposed grant of Options to the Participating Directors as outlined on this page 13 of this Explanatory Memorandum.

Related Party Transactions Generally

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a *related party* of the public company *unless* either:

1. the giving of the financial benefits falls within one of the nominated exceptions to the provision; or
2. shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E, the Participating Directors are considered to be related parties of the Company. Resolutions 4 to 6 provide for the grant of Options to the Participating Directors of the Company which is a financial benefit which requires Shareholder approval for the purpose of section 208 of the Corporations Act.

Information requirements – Chapter 2E of the Corporations Act

For the purposes of Chapter 2E of the Corporations Act the following information is provided.

The related parties to whom the proposed resolution would permit the financial benefit to be given and the nature of the financial benefit

Subject to Shareholder approval, the following number of Options will be granted to the following related parties (or their respective nominees):

Participating Director	Number of Options
Philip G Crabb	1,500,000
Frank DeMarte	5,000,000
Malcolm R J Randall	1,500,000
Total	8,000,000

The proposed financial benefit to be given is the grant of Options for no consideration to the Participating Directors as noted above, or their respective nominees.

The details of the financial benefit including reasons for giving the type and quantity of the benefit

The terms and conditions of the Options to be granted to the Participating Directors (or their respective nominees) are set out in Annexure A to this Explanatory Memorandum.

Under the Company's current circumstances the Directors consider that the grant of these Options, are a cost effective and efficient reward and incentive for the Company, as opposed to alternative forms of incentive, such as the payment of additional cash compensation to the Participating Directors.

The number of Options to be granted to each of the Participating Directors has been determined based upon a consideration of:

- the remuneration of the Participating Directors – the Directors wish to ensure that the remuneration offered is competitive with market standards. The Directors have considered the proposed number of Options to be granted will ensure that the Participating Directors' overall remunerations is in line with market standards. During the fourth quarter of the 2012/2013 financial year, the Board and the executive made a voluntary decision to accept a significant cut in cash remuneration of at least 50%;
- length of service to the Company;
- incentives to ensure continuity of service of the Participating Directors who have extensive knowledge of the Company and its assets, while maintaining the Company's cash reserves; and
- the necessity to retain suitably qualified Directors.

In the event all of the Options proposed to be granted to Participating Directors are exercised, then based on an exercise price of 6 cents, the following amounts are payable to the Company by the Participating Directors:

Participating Director	Amount to be paid
Philip G Crabb	\$90,000
Frank DeMarte	\$300,000
Malcolm R J Randall	\$90,000
Total	\$480,000

The Company will therefore receive a total of \$480,000 from the Participating Directors should all the Options be exercised at an exercise price of 6 cents.

The actual amount the Company will receive from the Participating Directors on exercise of the Options will depend on the actual exercise price of the Options which will be equal to the greater of a 68% premium to the VWAP of the Shares on the 5 days on which sales of the Shares were recorded before the date of the Meeting (rounded up to the nearest cent), and 6 cents.

Shareholders should note that for reasons mentioned above, it is proposed to grant Options to two non-executive Directors (the Chairman, Philip G Crabb and Malcolm R J Randall) notwithstanding Guideline 8.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* which provides that non-executive Directors should not receive Options. However, the Board considers the grant of Options to Philip G Crabb and Malcolm R J Randall reasonable in the circumstances, given the necessity to retain the highest calibre of professionals to the Company, while maintaining the Company's cash reserves.

Participating Directors' current holdings

Set out below are details of each of the Participating Directors' relevant interest in the securities of the Company as at the date of this Notice:

Director & Associates	Number of Shares	Number of 28/02/14 options (\$0.20)	Number of 25/02/15 options (\$0.64)	Number of 27/02/16 options (\$0.84)	Number of 28/02/17 options (\$0.23)
Philip G Crabb (1)					
Darkdale Pty Ltd	6,000,000	-	-	-	-
Ioma Pty Ltd	3,048,983	750,000	1,000,000	1,000,000	-
Ragged Range Mining Pty Ltd	22,794,424	-	-	-	-
Crabb Superannuation Fund	1,497,926	-	-	-	-
Frank DeMarte (2)	175,000	-	-	-	-
Gemini Holdings Pty Ltd	1,651,625	1,000,000	1,500,000	1,500,000	500,000
Future Life Pty Ltd	2,031,728	-	-	-	-
Grandeur Holdings Pty Ltd	31,063	-	-	-	-
Malcolm R J Randall (3)	-	-	-	-	-
Renique Holdings Pty Ltd	1,009,191	500,000	750,000	750,000	500,000

Notes:

- Philip G Crabb is a sole director of Ragged Range Mining Pty Ltd and holds 48% of the shares in that company. June Crabb is Mr Crabb's wife. Mr Crabb is a director of Ioma Pty Ltd and controls this company. Mr Crabb is a trustee for and a beneficiary of the Crabb Superannuation Fund.
- Frank DeMarte is a director of Grandeur Holdings Pty Ltd and holds 50% of the shares in that company. Gemini Holdings Pty Ltd holds the shares and options in the Company as trustee for the DeMarte Family Trust of which Frank DeMarte and his wife Chiara DeMarte are beneficiaries. Future Life Pty Ltd holds the shares and options in the Company as trustee for the DeMarte Family Superannuation Fund of which Frank DeMarte and his wife Chiara DeMarte are beneficiaries.
- Renique Holdings Pty Ltd holds the Shares and options in the Company as trustee for the Randall Super Fund of which Malcolm R J Randall and his wife, Carol Randall are beneficiaries.

Dilution effect of grant of Options on existing members' interests

If passed, Resolutions 4, 5, and 6 will have the effect of giving power to the Directors to grant a total of 8,000,000 Options on the terms and conditions as set out in Annexure A to this Explanatory Memorandum and as otherwise mentioned above.

The Company presently has 255,647,680 quoted Shares on issue and 24,825,000 unquoted Options as follows:

Number of unquoted Options	Exercise Price	Expiry Date
4,250,000	\$0.20	28 February 2014
6,750,000	\$0.64	25 February 2015
6,750,000	\$0.84	27 February 2016
725,000	\$0.39	30 June 2014
2,000,000	\$0.23	28 February 2017
1,000,000	\$0.25	16 April 2014
1,000,000	\$0.45	16 April 2015
2,350,000	\$0.09	31 October 2015

If all Options granted as proposed under Resolutions 4,5 and 6 above are exercised, and assuming the existing unquoted options (which are “out of the money” as at the date of this Notice) are not exercised, the effect would be to dilute the shareholding of existing Shareholders by 0.97%. The market price of the Shares during the period of the Options will normally determine whether or not the Participating Directors exercise the Options. At the time any Options are exercised and Shares are issued pursuant to the exercise of the Options, the Shares may be trading at a price which is higher than the exercise price of the Options.

The Options will not be quoted on ASX.

Participating Directors’ total remuneration package

The Participating Directors’ salaries per annum (including superannuation) and the total financial benefit to be received by them in this current period as a result of the grant of the Options the subject of Resolutions 4, 5, and 6 (showing the impact of using a volatility assumption of 113% to calculate the value of the Options) are as follows:

Director	Base salary/fee p.a. (\$)	Value of Options (\$) *	Total Financial Benefit (\$)
Philip G Crabb	-	\$28,500	\$28,500
Frank DeMarte	163,875	\$95,000	\$258,875
Malcolm R J Randall	22,942	\$28,500	\$51,442

* utilising a 113% volatility factor discussed in further detail below.

Valuation of Options

The Company’s advisers have valued the Options proposed to be granted to the Participating Directors using the Black Scholes Option Pricing Model (“BSModel”), which is the most widely used and recognised model for pricing options. The acceptance of this model is due to its derivation being grounded in economic theory. The value of an option calculated by the BSModel is a function of a number of variables and is rounded to the nearest one hundredth of a cent. The valuation of the Options has been prepared using the following assumptions:

Variable	Input
Share price	3.6 cents (closing share price on 23 December 2013, being the date of valuation of the Options)
VWAP Share price	1.8 cents (being the VWAP of the Shares (rounded up to the nearest whole number) on the 5 days on which sales of the Shares were recorded before 23 December 2013)
Exercise price	6 cents (being the greater of 6 cents and a 68% premium (rounded up to the nearest whole number) to the VWAP of the Shares on the 5 days on which sales of the Shares were recorded before 23 December 2013)
Risk Free Interest Rate	3.43% (estimated, based on the 5 year Australian treasury bond rate as at 23 December 2013)
Volatility	113% (determined utilising the daily closing Share price of the Company over the preceding 12 month period). The effect of the valuation in using volatility factors of 40%, 70% and 90% are set out below.
Expiry date	28 February 2019.

The valuation date is as at 23 December 2013, although the Options will not be granted until after Shareholders approve the grant of the Options at this Meeting.

The valuations reflected below do not necessarily represent the market value of the Options or the tax values for taxation purposes to each of the Participating Directors. The future value of the Options may be up or down on the values noted below as it will primarily depend on the future share price of a Share (for the next 5 years), and the time to expiry of the Options.

A discount factor of 30% has been applied for lack of negotiability of the Options.

Based on the above assumptions, the Company's advisers have calculated an indicative value of one Option to be granted to the Participating Directors to be 1.9 cents (based on a volatility assumption of 113% to calculate the value of the Options). Accordingly, the total value of the 8,000,000 Options to be granted to the Participating Directors is \$152,000.

Set out below is the indicative valuation of an Option proposed to be granted to the Participating Directors using volatility factors of 40%, 70% and 90%:

40% Volatility	70% Volatility	90% Volatility
0.6 cents	1.3 cents	1.6 cents

Any change in the variables applied in the Black and Scholes calculation between the date of the valuation and the date the Options are granted would have an impact on their value.

Company's historical share price

The following table gives details of the highest, lowest and latest closing price of the Shares trading on ASX over the past 12 months ending on 3 January 2014:

Security	Highest Price	Date of highest price	Lowest Price	Date of lowest price	Latest Price on 3 January 2014
Ordinary shares	11.5 cents	7 March 2013	2.2 cents	5 Trading Days from 25 June 2013 to 2 July 2013	3.7 cents

Other Information

Under the Australian Equivalent of the International Financial Reporting Standards, the Company is required to expense the value of the Options in its statement of financial performance for the current financial year. Other than as disclosed in this Explanatory Memorandum, the Directors do not consider that from an economic and commercial point of view, there are any costs or detriments including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in granting the Options pursuant to Resolutions 4 to 6.

Neither the Directors nor the Company are aware of other information that would be reasonably required by Shareholders to allow them to make a decision in relation to the financial benefits contemplated by the proposed Resolutions 4 to 6 and whether it is in the best interests of the Company to pass Resolutions 4 to 6.

Directors' recommendation

All the Directors were available to make a recommendation. Mr Philip G Crabb declines to make a recommendation about Resolution 4 as he has a material personal interest in the outcome of that particular Resolution as it relates to the proposed grant of Options to him individually (or his nominee(s)). Messrs DeMarte and Randall also decline to make a recommendation about Resolution 4. ASIC Regulatory Guide 76: Related Party Transactions notes at paragraph 76.103 that it is good practice for directors to avoid making a recommendation for resolutions about each other's remuneration as there may be a conflict of interest. Whilst Messrs DeMarte and Randall do not have a material personal interest in the outcome of Resolution 4, given it is proposed that they also be issued with Options under Resolutions 5 and 6 respectively, they have declined to make a recommendation about Resolution 4 in line with the ASIC guidance.

Mr Frank DeMarte declines to make a recommendation about Resolution 5 as he has a material personal interest in the outcome of that particular Resolution as it relates to the proposed grant of Options to him individually (or his nominee(s)). Messrs Crabb and Randall also decline to make a recommendation about Resolution 5. Whilst Messrs Crabb and Randall do not have a material personal interest in the outcome of Resolution 5, given it is proposed that they also be issued with Options under Resolutions 4 and 6 respectively, they have declined to make a recommendation about Resolution 5 in line with the ASIC guidance outlined above.

Mr Malcolm R J Randall declines to make a recommendation about Resolution 6 as he has a material personal interest in the outcome of that particular Resolution as it relates to the proposed grant of Options to him individually (or his nominee(s)). Messrs Crabb and DeMarte also decline to make a recommendation about Resolution 6. Whilst Messrs Crabb and DeMarte do not have a material personal interest in the outcome of Resolution 6, given it is proposed that they also be issued with Options under Resolutions 4 and 5 respectively, they have declined to make a recommendation about Resolution 6 in line with the ASIC guidance outlined above.

Listing Rule 10.11

Listing Rule 10.11 requires the approval of Shareholders by ordinary resolution to any issue by a listed company of securities to a related party. Accordingly, Listing Rule 10.11 requires Shareholders to approve the grant of Options to the Participating Directors.

For the purposes of Listing Rule 10.13, the following information is provided to Shareholders:

- (a) the Options will be issued to Messrs Philip G Crabb, Frank DeMarte and Malcolm R J Randall, who are all Directors, or their respective nominees, as noted above;
- (b) the maximum number of Options to be issued to the Participating Directors, or their respective nominees, is 8,000,000 (the table below sets out the number of Options to be granted to each of the Directors or his nominee);

Participating Director	Number of Options
Philip G Crabb	1,500,000
Frank DeMarte	5,000,000
Malcolm R J Randall	1,500,000
Total	8,000,000

- (c) the Options will be issued on one date which will be no later than 1 month after the date of this Annual General Meeting or on such other date as approved by ASX;
- (d) the Options will be issued for no consideration. The Options expire on 28 February 2019 and the exercise price of the Options will be announced by the Company to ASX on the day before the Annual General Meeting;
- (e) no funds will be raised by the issue of the Options; and
- (f) the terms and conditions of the Options are set out in Annexure A to this Explanatory Memorandum.

If approval is given for the issue of the Options under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

Voting

Note that a voting exclusion applies to Resolutions 4 to 6 in the terms set out in the Notice of Meeting. In particular, the Directors and other Restricted Voters may not vote on these Resolutions 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 Resolutions are 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 Resolutions.

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

RESOLUTION 7 – APPROVAL TO GRANT OPTIONS TO CEO OR HIS NOMINEE(S)

The Company's Chief Executive Officer, Mr Antony Lofthouse is not a related party of the Company. Accordingly, approval to grant options to Mr Lofthouse is not strictly required under the Corporations Act or the Listing Rules.

However, Mr Lofthouse is a member of the Company's Key Management Personnel and the Options proposed to be issued to Mr Lofthouse will form part of his remuneration package. As mentioned above, during the fourth quarter of the 2012/2013 financial year, the Board and the executive made a voluntary decision to accept a significant cut in cash remuneration of at least 50%. Accordingly, the number of Options the Board proposes to issue to Mr Lofthouse, is higher than previous issues of Options made to Mr Lofthouse and for that reason, the Board considers it appropriate to seek Shareholders' approval for the issue.

The following information is provided to Shareholders in relation to Resolution 7:

Details of the Options

Subject to Shareholder approval, 5,000,000 Options will be granted to Mr Antony Lofthouse (or his nominee or nominees). The amount that would need to be paid by Mr Lofthouse if the Options are exercised is \$300,000. The Company will therefore receive a total of \$300,000 from Mr Lofthouse should all the Options be exercised at an exercise price of \$0.06.

The actual amount the Company will receive from Mr Lofthouse on exercise of the Options will depend on the actual exercise price of the Options which will be equal to the greater of a 68% premium to the VWAP of the Shares on the 5 days on which sales of the Shares were recorded before the date of the Meeting (rounded up to the nearest cent), and 6 cents.

The Board has determined the exercise price of the Options with regard to the market value of the Company's Shares, and considers 68% or 6 cents (whichever is the greater) to be a suitable premium to meet the objectives of the proposed grant of Options to Mr Lofthouse as outlined on this page 18 of this Explanatory Memorandum.

The terms and conditions of the Options to be granted to Mr Lofthouse (or his nominee or nominees) are set out in Annexure A to this Explanatory Memorandum.

The proposed grant of Options to Mr Lofthouse will be subject to the terms of the Company's Employee Share Option Plan (**Plan**). However, if there is any inconsistency between the terms of the Options as set out in Annexure A and the Plan, the terms as set out in Annexure A prevail to the extent of the inconsistency.

Reasons for the proposed grant of Options to Mr Lofthouse

The grant of Options encourages Mr Lofthouse 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 Directors consider that the grant of these Options, are a cost effective and efficient reward and incentive for the Company, as opposed to alternative forms of incentive, such as the payment of additional cash compensation.

The number of Options to be granted to Mr Lofthouse has been determined based upon a consideration of:

- the remuneration of Mr Lofthouse – the Directors wish to ensure that the remuneration offered is competitive with market standards. The Directors have considered the proposed number of Options to be granted will ensure that Mr Lofthouse's overall remuneration is in line with market standards. During the fourth quarter of the 2012/2013 financial year, Mr Lofthouse made a voluntary decision to accept a significant cut in cash remuneration of at least 50%;
- length of service to the Company; and
- incentives to ensure continuity of service of Mr Lofthouse who has extensive knowledge of the Company and its assets, while maintaining the Company's cash reserves,

Mr Lofthouse's current holdings

Mr Lofthouse's relevant interest in the securities of the Company as at the date of this Notice are 1,000,000 Options exercisable at \$0.25 with an expiry date of 16 April 2014 and 1,000,000 Options exercisable at \$0.45 with an expiry date of 16 April 2015.

Dilution effect of grant of Options on existing members' interests

If passed, Resolution 7 will have the effect of giving power to the Directors to grant a total of 5,000,000 Options on the terms and conditions as set out in Annexure A to this Explanatory Memorandum and as otherwise mentioned above.

Details of the number of quoted Shares and unquoted options that the Company has on issue as at the date of this Notice are set out above on pages 14 and 15 of this Explanatory Memorandum.

If all Options granted as proposed under Resolution 7 above are exercised, and assuming the existing unquoted options (which are “out of the money” as at the date of this Notice) are not exercised, the effect would be to dilute the shareholding of existing Shareholders by 0.02%. The market price of the Shares during the period of the Options will normally determine whether or not the Participating Directors exercise the Options. At the time any Options are exercised and Shares are issued pursuant to the exercise of the Options, the Shares may be trading at a price which is higher than the exercise price of the Options.

The Options will not be quoted on ASX.

Mr Lofthouse’s total remuneration package

Mr Lofthouse’s salary per annum (including superannuation) and the total financial benefit to be received by him in this current period as a result of the grant of the Options the subject of Resolution 7 (showing the impact of using a volatility assumption of 113% to calculate the value of the Options) is as follows:

Base salary/fee p.a. (\$)	Value of Options (\$) *	Total Financial Benefit (\$)
163,875	95,000	258,875

* utilising a 113% volatility factor discussed in further detail below.

Valuation of Options

The Company’s advisers have valued the Options proposed to be granted to Mr Lofthouse using the Black Scholes Option Pricing Model (“**BSModel**”), which is the most widely used and recognised model for pricing options. The acceptance of this model is due to its derivation being grounded in economic theory. The value of an option calculated by the BSModel is a function of a number of variables and is rounded to the nearest one hundredth of a cent. The valuation of the Options has been prepared using the following assumptions:

Variable	Input
Share price	3.6 cents (closing share price on 23 December 2013, being the date of valuation of the Options)
VWAP Share price	1.8 cents (being the VWAP of the Shares (rounded up to the nearest whole number) on the 5 days on which sales of the Shares were recorded before 23 December 2013)
Exercise price	6 cents (being the greater of 6 cents and a 68% premium (rounded up to the nearest whole number) to the VWAP of the Shares on the 5 days on which sales of the Shares are recorded before 23 December 2013)
Risk Free Interest Rate	3.43% (estimated, based on the 5 year Australian treasury bond rate as at 23 December 2013)
Volatility	113% (determined utilising the daily closing Share price of the Company over the preceding 12 month period). The effect of the valuation in using volatility factors of 40%, 70% and 90% are set out below.
Expiry date	28 February 2019.

The valuation date is as at 23 December 2013, although the Options will not be granted until after Shareholders approve the grant of the Options at this Meeting.

The valuations reflected below do not necessarily represent the market value of the Options or the tax values for taxation purposes to Mr Lofthouse. The future value of the Options may be up or down on the values noted below as it will primarily depend on the future share price of a Share (for the next 5 years), and the time to expiry of the Options.

A discount factor of 30% has been applied for lack of negotiability of the Options.

Based on the above assumptions, the Company’s advisers have calculated an indicative value of one Option to be granted to Mr Lofthouse to be 1.9 cents (based on a volatility assumption of 113% to calculate the value of the Options). Accordingly, the total value of the 5,000,000 Options to be granted to Mr Lofthouse is \$95,000.

Set out below is the indicative valuation of an Option using volatility factors of 40%, 70% and 90%:

40% Volatility	70% Volatility	90% Volatility
0.6 cents	1.3 cents	1.6 cents

Any change in the variables applied in the Black and Scholes calculation between the date of the valuation and the date the Options are granted would have an impact on their value.

Company's historical share price

The Company's historical share price information is outlined above on page 16 of this Explanatory Memorandum.

Other Information

As noted above, under the Australian Equivalent of the International Financial Reporting Standards, the Company is required to expense the value of the Options in its statement of financial performance for the current financial year. Other than as disclosed in this Explanatory Memorandum, the Directors do not consider that from an economic and commercial point of view, there are any costs or detriments including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in granting the Options pursuant to Resolution 7.

Neither the Directors nor the Company are aware of other information that would be reasonably required by Shareholders to make a decision in relation to the proposed grant of Options under Resolution 7.

Directors' recommendation

All the Directors were available to make a recommendation. For the reasons noted above, each of the Directors (none of whom have a material personal interest in the outcome of Resolution 7) recommend that Shareholders vote in favour of Resolution 7.

Voting

Note that a voting exclusion applies to Resolution 7 in the terms set out in the Notice of Meeting. In particular, the Directors and other Restricted Voters may not vote on Resolution 7 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 Resolutions are 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 Resolutions.

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

RESOLUTION 8 – APPROVAL FOR THE SALE OF HAYES CREEK URANIUM ASSETS

As announced by the Company to ASX on 11 November 2013, the Company has negotiated the sale of its uranium interests in and around the Hayes Creek area, approximately 140 kilometres south-southeast of Darwin in the Northern Territory. These interests are held by the Company's wholly-owned subsidiary, Element. ASX has advised the Company that Listing Rule 11.4 applies in relation to the proposed disposal of these assets. Accordingly, the Company is seeking the approval of its Shareholders for the proposed disposal in accordance with Listing Rule 11.4.1(b).

The proposed transaction

Consistent with the Company's stated corporate strategy of project rationalisation, focus on copper, base metal and gold exploration and aim to render the Company's uranium project exposures more cost-effective, the Company and Element entered into a Mining Asset Sale Agreement with the Purchaser which provides for:

- (a) the sale by Element to the Purchaser of all of the Element Assets; and
- (b) the entry into a Deed of Variation, Termination, Assignment and Assumption by Element, the Purchaser and Crocodile Gold which includes an assignment of the Element and Crocodile Gold Exploration Agreement and the termination of the Element and Crocodile Gold Joint Venture Agreement.

The Purchaser is an unlisted Australian company with a track record of success in the Australian mineral exploration and development market. The Purchaser holds a counter-cyclical view of the uranium sector and has

an appetite for active exploration in the uranium sector. By letter dated 23 December 2013, the Purchaser Parent agrees to use reasonable endeavours to assess, and to the extent commercially viable and in the best interests of its shareholders, complete an initial public offering (or similar) of the Purchaser Parent shares and the listing and quotation of those shares on ASX or an equivalent stock exchange.

The consideration payable by the Purchaser to Element under the Mining Asset Sale Agreement is:

- (a) \$650,000 cash (this amount has been paid and is currently been held in a trust account pending completion of the proposed transaction);
- (b) \$900,000 worth of shares in the Purchaser's Parent or if the Purchaser Parent does not list within 24 months, \$900,000 in cash in lieu of the shares, to be adjusted upwards by any increase to the uranium spot price as follows:
 - (i) A\$14,000 for every whole dollar increase in the uranium spot price about A\$55.00 per pound and up to A\$75.00 per pound; and
 - (ii) A\$17,500 for every whole dollar increase in the uranium spot price above A\$75.00 per pound; and
- (c) the rights provided to Element under the Royalty Deed. Under the Royalty Deed, the Purchaser has agreed to pay Element a royalty on all mineral or metallic products derived from minerals extracted and recovered from the Tenements and the Crocodile Tenements which is capable of being sold.

The conditions precedent under the Mining Asset Sale Agreement have been satisfied. Accordingly, once the Company has the approval of its Shareholders under Resolution 8, the proposed disposal of the Hayes Creek Uranium Assets can be completed.

Listing Rule 11.4

In summary, Listing Rule 11.4 provides that an entity must not dispose of a major asset if, at the time of the disposal, it is aware that the entity acquiring the asset intends to issue or offer securities with a view to becoming listed. However, the rules does not apply in either of the following cases:

- (a) the securities, except those to be retained by the Company, are offered pro rata to Shareholders, or in another way that, in ASX's opinion is fair in all the circumstances; or
- (b) the Company's Shareholders approve the disposal without a pro-rata offer being made.

ASX has advised the Company that Listing Rule 11.4 applies to the proposed disposal of the Hayes Creek Uranium Projects because the Hayes Creek Uranium Projects are a "major asset" for the purposes of the Listing Rules, as described in ASX Guidance Note 13 "*Disposal of a Major Asset Involving an Entity to be Listed: Listing Rule 11.4*" and the Purchaser Parent may seek to list on ASX or another stock exchange.

The Company does not propose to offer any securities it may receive in the Purchaser Parent to Shareholders on a pro-rata basis or in any other way because whether or not lists on ASX or any other stock exchange is uncertain at this point in time. The Company is unable to give Shareholders any guarantee as to the timing of the Purchaser Parent listing, or whether the Purchaser Parent will list at all. Accordingly, the exception in Listing Rule 11.4.1(a) does not apply and the Company is seeking Shareholder approval under Listing Rule 11.4.1(b) through Resolution 8.

Reasons for and benefits of the proposed sale of the Hayes Creek Uranium Assets

As previously announced by the Company, it embarked on a strategy of rationalising the extensive portfolio of exploration tenure in order to reduce the annual overheads associated with work expenditure commitments and tenement rents and rates. The proposed sale of the Hayes Creek Uranium Assets is consistent with this strategy.

The Board believes the proposed sale delivers the following benefits:

- the structure of the consideration payable under the Mining Asset Sale Agreement provides the Company with cash for further funding to advance exploration at the Company's other projects, whilst retaining potential exposure to any recovery in the uranium sector and to any further potential exploration successes at the Hayes Creek project;
- removal of all the rent, rates and exploration commitments that accompany the Hayes Creek Uranium Assets, thus improving the Company's cashflow position;
- the ownership structure of the Company's Hayes Creek Uranium Assets has been complex and involved, rendering possible the potential for future complications if a mining operation eventuated. The proposed transaction simplifies the structure and removes these potential issues whilst simultaneously retaining the Company's exposure to the assets without any of the attendant potential structural downside that previously existed; and

- the satisfactory conclusion of the proposed transaction will mean that active exploration will resume over the Hayes Creek Project by an explorer with new ideas, new concepts and a commitment to explore the area. Shareholders would potentially benefit through the proposed structure of the transaction. If the proposed transaction does not proceed this would not occur as your Company's stated strategy is that it will spend money exploring targets that are prospective only for uranium in the prevailing negative market sentiment for that commodity.

The proposed transaction is another example of management's continuing successful delivery of the agreed and stated corporate strategy of creating a clear focus on core prospects. Such focus is necessary to give Shareholders confidence in the future direction of the Company. The Board believes the proposed transaction is a highly satisfactory outcome for its Shareholders in what are difficult times for junior exploration companies, particular given that the share market has had a consistently depressed appetite for uranium exploration in the past 2.5 years.

To demonstrate the value of the proposed transaction to the Company, the consolidated assets of the Company as at 30 September 2013 were \$2,216,146, of which cash represented \$872,191. The Hayes Creek Uranium Assets did not contribute anything to the Company's past earnings, and have no carrying value in the Company's financial statements.

Potential disadvantages of the proposed sale of the Hayes Creek Uranium Assets

The Board firmly believes that there are no potential disadvantages for Shareholders accompanying this proposed transaction. However the Board also recognises that theoretical disadvantages may be perceived by some Shareholders, for example, that the proposed sale of the Hayes Creek Uranium Assets may not be consistent with the investment objectives of all Shareholders.

The Company's future activities and direction

The funds generated from the proposed transaction will allow the Company to continue with its stated focus on the exploration of nine target localities in Western Australia and the Northern Territory whilst simultaneously advancing the stated strategy of project rationalisation, which continues to progress successfully. The target localities include, in no particular order of priority:

- Red Bore, WA (copper-gold): recommencing exploration following the successful outcome of the Supreme Court of WA proceedings, through which Thundelarra was awarded its 60% equity interest in this tenement;
- Curara Well, WA (copper-gold);
- Sophie Downs, WA (base metals);
- Frank Hill, WA (copper, base metals);
- Allamber, NT (multiple commodities in multiple target styles) - Hatrick, Catfish (copper, silver), Nipper (zinc, lead, tin tungsten), Tarpon, Ox-Eyed Herring (copper), Cliff South, Cleo (copper-gold-uranium), and graphite occurrences over an 18 kilometre zone.

The approval of the sale of the Hayes Creek Uranium Assets will deliver to your Company \$650,000 cash, being the first tranche of the total consideration for the transaction. This will provide your Company with funds to progress the exploration of the target localities outlined above.

Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 8 for the reasons outlined above.

RESOLUTION 9 – 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 is not included in the S&P/ASX 300 Index. The Company is an eligible entity for the purposes of Listing Rule 7.1A.

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 9 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 focussing on its targets located in Western Australia and the Northern Territory which include Red Bore, Curara Well, Allamber, Sophie Downs and Frank Hill and other projects as required and general working capital requirements.

Listing Rule 7.1A

The effect of Resolution 9 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 on issue.

Based on the number of Shares on issue at the date of this Notice, the Company will have 255,647,680 Shares on issue and therefore, subject to Shareholder approval being sought under Resolution 9, 25,564,768 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, that formula is:

(A x D) – E

A is the number of shares on issue 12 months before the date of issue or agreement:

- (a) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (b) plus the number of partly paid shares that became fully paid in the 12 months;
- (c) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (d) less the number of fully paid shares cancelled in the 12 months.

Note that 'A' has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue, that are not issued with the approval of shareholders under Listing Rules 7.1 or 7.4.

The table below demonstrates various examples as to the number of Equity Securities that may be issued under the Additional 10% Placement Capacity.

Resolution 9 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 over the 15 Trading Days 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 9 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 under the Additional 10% Placement Capacity.

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 255,647,680 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 23 December 2013, being \$0.036, (**current market price**), where the issue price is halved, and where it is doubled; and
- (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		
		\$0.018 Issue Price at half the current market price	\$0.036 Issue Price at current market price	\$0.072 Issue Price at double the current market price
Current Variable A 255,647,680 Shares	Shares issued	25,564,768	25,564,768	25,564,768
	Funds raised	\$460,165.82	\$920,331.65	\$1,840,663.30
	Dilution	10%	10%	10%
50% increase in current Variable A 383,471,520 Shares	Shares issued	38,471,520	38,471,520	38,471,520
	Funds raised	\$692,487.36	\$1,384,974.72	\$2,769,949.44
	Dilution	10%	10%	10%
100% increase in current variable A 511,295,360 Shares	Shares issued	51,129,536	51,129,536	51,129,536
	Funds raised	\$920,331.65	\$1,840,663.30	\$3,681,326.59
	Dilution	10%	10%	10%

Note: this table assumes:

- (i) No Options are exercised before the date of the issue of the Equity Securities;
- (ii) 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.
- (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 Annual General Meeting.

- (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 evaluation activities focussing on its most prospective targets located in Western Australia and the Northern Territory which include Red Bore, Curara Well, Allamber, Sophie Downs and Frank Hill and other projects as required and general working capital requirements; or
 - (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 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;
 - (ii) the dilutionary effect of the proposed issue of the Equity Securities on existing Shareholders at the time of proposed issued of Equity Securities;
 - (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) 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 9.
- (g) The Company previously obtained Shareholder approval under Listing Rule 7.1A on 28 February 2013. In the 12 months preceding the date of the Annual General Meeting, the Company has issued 24,369,252 Equity Securities which represents 10.54% of the total number of Equity Securities on issue at the commencement of the 12 month period (none of these Equity Securities were issued under Listing Rule 7.1A). Set out in Annexure B is information in relation to each issue of Equity Securities in the 12 months preceding the Annual General Meeting.

Directors' Recommendation

The Board recommends Shareholders vote in favour of Resolution 9.

THUNDELARRA LIMITED
ACN 085 782 994

GLOSSARY

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

“2014 Annual General Meeting” means the annual general meeting of the Company to be held in respect of the financial year ended 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 23;

“Additional Placement Period” has the meaning set out on page 25;

“Annual General Meeting” means the annual general meeting the subject of the Notice;

“Annual Report” means the annual report of the Company for the year ended 30 September 2013;

“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 not a business day;

“Chair” means the individual elected to chair any meeting from time to time;

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

“Company” means Thundelarra Limited ACN 085 782 994;

“Constitution” means the constitution of the Company;

“Corporations Act” means Corporations Act 2001 (Cth);

“Crocodile Gold” means Crocodile Gold Australia Pty Ltd ACN 136 525 950;

“Crocodile Tenements” means 243 tenements held by Crocodile Gold in which Element holds the Uranium Rights;

“Director” means a director of the Company;

“Equity Securities” has the same meaning as in the Listing Rules;

“Explanatory Memorandum” means this Explanatory Memorandum accompanying the Notice;

“Element Assets” means Element’s right, title and interest in and relating to each of the following, taken as a whole:

- (a) the Tenements and any renewal, consolidation, replacement, extension or amendment of those tenements, including any other current and future rights and interests and all rights to explore for or mine or exploit resources within the area originally subject of those tenements;
- (b) environmental approvals in relation to the Tenements;
- (c) authorisations, including approvals, consents, declarations, waivers in relation to the Tenements;
- (d) mining information and any intellectual property rights created, developed or obtained during exploration on the Tenements and the Crocodile Tenements; and
- (e) mining records in relation to the Tenements and the Crocodile Tenements;

“Element” means Element 92 Pty Ltd ACN 119 094 423, a wholly-owned subsidiary of the Company;

“Element and Crocodile Agreements” means the Element and Crocodile Gold Exploration Agreement and the Element and Crocodile Gold Joint Venture Agreement.

“Element and Crocodile Gold Exploration Agreement” means the Pine Creek Tenements Uranium Exploration Agreement dated 17 September 2007 between Terra Gold Mining Pty Ltd ACN 071 444 061, Territory Goldfields Pty Ltd ACN 066 581 075, Buffalo Creek Mines ACN 097 907 625, GBS Gold Holdings Pty Ltd ACN 126 471 136 and Element, as amended by deed of variation, assignment, assumption, consent and covenant dated 2 September 2009 to substitute Crocodile Gold as a party for GBS Gold Holdings Pty Ltd ACN 126 471 136.

“Element and Crocodile Gold Joint Venture Agreement” means the Pine Creek Tenements Uranium Exploration Joint Venture Agreement dated 17 September 2007 between GBS Holdings Pty Ltd (ACN 126 471 136) and Element 92 Pty Ltd (ACN 119 094 423), as amended by a deed of variation, assignment, assumption, consent and covenant dated 2 September 2009 to substitute Crocodile Gold as a party for GBS Holdings Pty Ltd (ACN 126 471 136).

“Explanatory Memorandum” means this Explanatory Memorandum accompanying the Notice;

“Hayes Creek Uranium Assets” means the Element Assets and the Element and Crocodile Gold Exploration Agreement;

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

“Listing Rules” means the Listing Rules of the ASX;

“Meeting” means the Annual General Meeting the subject of this Notice;

“Mining Asset Sale Agreement” means the agreement between the Company, Element, and the Purchaser dated 31 July 2013 as amended on 6 November 2013.

“Notice” means the notice of Annual General Meeting accompanying this Explanatory Memorandum;

“Option” means an option to acquire a Share;

“Proxy Form” means the proxy form accompanying the Notice.

“Participating Directors” means Messrs Philip G Crabb, Frank DeMarte, and Malcolm R J Randall;

“Purchaser” means Oz Uranium Pty Ltd ACN 164 615 749, a wholly owned subsidiary of the Purchaser Parent;

“Purchaser Parent” means Rockland Resources Pty Ltd ACN 149 709 713;

“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.

“Tenements” means EL10120; EL23509; EL25120; EL25379; EL25553; and EL27363 held as to 100% by Element.

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

“Uranium Rights” means the 70% participating share of Element under the Element and Crocodile Agreements;

“VWAP” means volume weighted average price; and

“WST” means Australian Western Standard Time.

THUNDELARRA LIMITED
ACN 085 782 994

ANNEXURE A

**TERMS AND CONDITIONS OF OPTIONS TO BE GRANTED TO PARTICIPATING DIRECTORS
AND CHIEF EXECUTIVE OFFICER**

The terms and conditions of the Options are:

1. Each Option will be issued for no consideration.
2. Each Option has an exercise price which is the higher of a premium of 68% to the volume weighted average price of the Shares (rounded to the nearest cent) on Australian Securities Exchange (“**ASX**”) on the 5 days on which sale of Shares were recorded prior to the date of the 2014 Annual General Meeting, and 6 cents (“**Exercise Price**”).
3. Each Option entitles the option holder (“**Option holder**”) to subscribe for and be allotted one fully paid ordinary share (“**Share**”) in the capital of Thundelarra Limited (“**THX**”) at the Exercise Price for the Option.
4. The Options are exercisable at any time on or prior to 5.00 pm Western Standard Time on 28 February 2019 (“**Expiry Date**”) by completing a notice in writing (“**Notice**”) stating the intention of the Option holder to exercise all or a specified number of Options held by him and delivering it to the registered office of THX accompanied by an Option Certificate and a cheque made payable to the Company for the subscription monies for the Shares. The Notice must be received by the Company before the Expiry Date. An Option not exercised before the Expiry Date will lapse. An exercise of only some Options shall not affect the rights of the Option holder to the balance of the Options held by him.
5. The Options are not assignable or transferable without the prior written consent of the board of directors of THX and will not be listed on the ASX.
6. All Shares issued upon exercise of the Options will rank pari passu in all respects with THX’s then issued Shares. THX will apply for official quotation by ASX of all Shares issued upon exercise of the Options.
7. There are no participating rights or entitlements inherent in the Options and the Option holder will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options unless the Options are first exercised in accordance with these terms and conditions. However, THX must give the Option holder, in accordance with Listing Rules of ASX, notice of any new issue of securities before the record date for determining entitlements to the new issue.
8. In the event of any reorganisation (including consolidation, sub-division, reduction or return) of the issued capital of THX prior to the Expiry Date, the rights of the Option holder will be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
9. If there is a pro rata issue (except a bonus issue) to THX shareholders, the exercise price of an Option will be reduced according to the following formula:

$$O^n = O - \frac{E [(P-(S + D))]}{N + 1}$$

Where:

O^n = the new exercise price of the Option;

O = the old exercise price of the Option;

E = the number of underlying securities into which one Option is exercisable;

- P = the average market price of Shares (weighted by reference to volume) sold in the ordinary course of trading on ASX during the five trading days ending on the day before the ex rights date or the ex entitlements date;
- S = the subscription price for new Shares issued under the pro rata issue;
- D = any dividends due but not yet paid on the existing Shares (except those to be issued under the pro rata issue); and
- N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.

10. If there is a bonus issue to THX shareholders, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the Option holder would have received if the Option had been exercised before the record date for the bonus issue.
11. Shares allotted and issued pursuant to the exercise of the Options will be allotted and issued on the above terms and conditions not more than 14 days after the receipt of a properly executed Option Exercise Form and the exercise price in respect of the Option.

THUNDELARRA LIMITED
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ANNEXURE B

EQUITY SECURITIES ISSUED BY THE COMPANY DURING THE 12 MONTHS PRECEDING THE ANNUAL GENERAL MEETING

Date	Type of Equity Securities	Number issued	Summary of Terms	Allottees	Issue Price	Consideration
27/03/2013	Shares	3,355	Exercisable at 20 cents each and expiring 29/03/13	Mr & Mrs B M Hunter	\$0.20	\$671
15/04/2013	Shares	660,000	Acquisition of Allamber tenement EL23506	Teelow Nominees Pty Ltd (Teelow Superannuation Fund Account) Anglona Pty Ltd (The J & S Roper Superannuation Fund Account) Mr Chris W Clarke Mr Guy M Clarke Ms Ella M Clarke Mr Geoffrey R Orridge	\$0.068	Nil.
13/09/2013	Shares	23,705,897	Share Purchase Plan	Various Eligible Shareholders	\$0.0034	\$806,000 The entire amount of the funds raised from the issue were used to fund ongoing exploration expenditure to evaluate viable geological targets at the Company's Allamber, Sophie Downs, Curara Well, Copperfield and other projects as required, pay costs of the capital raising, pay costs associated with the Red Bore dispute and general working capital requirements.

Lodge your vote:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form

For your vote to be effective it must be received by 10.30 am WST Wednesday, 26 February 2014

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form →



View the annual report, 24 hours a day, 7 days a week:

www.thundelarra.com

To view and update your securityholding:

www.investorcentre.com

Your secure access information is:



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

☐

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Thundelarra Limited hereby appoint

☐ the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Thundelarra Limited to be held at The Boardroom, Stantons International, Level 2, 1 Walker Avenue, West Perth, Western Australia on Friday, 28 February 2014 at 10.30 am WST and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 and 4 - 7 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 4 - 7 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: For Resolutions 3 and 4, this express authority is also subject to you marking the box in the section below.

If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 and 4 - 7 by marking the appropriate box in step 2 below.

Important for Resolutions 3 and 4: If the Chairman of the Meeting is your proxy and you have not directed the Chairman how to vote on Resolutions 3 and 4 below, please mark the box in this section. If you do not mark this box and you have not otherwise directed your proxy how to vote on Resolutions 3 and 4, the Chairman of the Meeting will not cast your votes on Resolutions 3 and 4 and your votes will not be counted in computing the required majority if a poll is called on these resolutions. The Chairman of the Meeting intends to vote undirected proxies in favour of Resolutions 3 and 4.

☐ I/We acknowledge that the Chairman of the Meeting may exercise my/our proxy even if the Chairman has an interest in the outcome of Resolutions 3 and 4 and that votes cast by the Chairman, other than as proxy holder, would be disregarded because of that interest.

STEP 2 Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain			For	Against	Abstain
Resolution 1	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 6	Approval to Grant Options to a Director- Mr Malcolm R J Randall or his nominee(s)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mr Malcolm R J Randall as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 7	Approval to Grant Options to CEO, Mr Antony Lofthouse or his nominee(s)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Placement of shares to Mr Philip G Crabb or his nominee(s)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 8	Approval for the sale of Hayes Creek Uranium Assets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval to Grant Options to a Director- Mr Philip G Crabb or his nominee(s)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 9	Approval of Additional 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval to Grant Options to a Director- Mr Frank DeMarte or his nominee(s)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date / /
