THUNDELARRA LIMITED

ABN 74 950 465 654

ANNUAL REPORT 2013

CORPORATE DIRECTORY

DIRECTORS

Philip G Crabb
Non-Executive Chairman

Frank DeMarte
Executive Director

Malcolm R J Randall
Non-Executive Director

CHIEF EXECUTIVE OFFICER

Antony L Lofhouse

SECRETARY

Frank DeMarte

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Australian Business Number:
74 950 465 654

AUDITORS

Stantons International
Level 2, 1 Walker Avenue
WEST PERTH WA 6005

SHARE REGISTRY

Computershare Investor Services Pty Limited
Level 2, Reserve Bank Building
45 St Georges Terrace
PERTH WA 6000

Telephone: 1300 850 505
Facsimile: +618 9323 2033

STOCK EXCHANGE

Australian Securities Exchange (Perth) Ltd
Exchange Plaza, 2 The Esplanade
PERTH WA 6000

ASX LIMITED

Code: THX

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ASX ADDITIONAL INFORMATION

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

CHAIRMAN'S LETTER

Dear Shareholder

It gives me pleasure to present the 2013 annual report for Thundelarra and to be able to report a number of significant achievements and advances that your Company has delivered. Unquestionably 2013 has been another very challenging year for the market overall and particularly for the smaller exploration companies. At the corporate level Thundelarra has continued to rationalise and consolidate assets. Exploration programs at our main projects were selected and designed carefully to ensure that your shareholder funds are always applied as prudently and effectively as possible.

The resource sector has remained depressed during 2013, with access to capital continuing to be very difficult. Consequently the Board again had hard decisions to make and unfortunately the salary cuts and reductions in head count implemented in 2012, at both management and Board level, had to be repeated in 2013. I think it is important that everyone is made aware of the commitment that the Executive has shown to the Company, and so to all Shareholders, through these voluntary cuts. Your CEO accepted a 50% reduction in salary, your CFO a 37% reduction, your Chairman suspended all his remuneration until further notice and your other Director accepted a 58% reduction in Director fees. These initiatives, together with disposals of non-core exploration properties through sales, exit from Joint Ventures, and full or partial surrender of ground, have contributed to sustainable annual savings of approximately $4.5 million.

Despite the adverse market sentiment during 2013, notable successes were achieved on several fronts. Perhaps most notable was the outcome of the legal proceedings before the Supreme Court of Western Australia, in which Thundelarra was found to have earned a 60% interest in the Red Bore Mining Lease, located just 500m from Sandfire Resources NL's DeGrussa copper-gold mine in the Doolgunna area of Western Australia. The successful outcome of this case means that Thundelarra now has certainty about its equity stake in Red Bore and can recommence exploration, probably in March or April 2014, to look for possible repetitions of the high grade DeGrussa style of copper-gold mineralisation.

Another notable success was the agreement (subject to formal approval by Shareholders at the Annual General Meeting) to sell the Company's Hayes Creek uranium interests to an unlisted private Australian mineral exploration company. While Hayes Creek, which includes the Thunderball deposit and mineral resource discovered by Thundelarra in 2008, was a lynchpin of Thundelarra's share price performance during boom times for the uranium market, unfortunately such sentiment has been long gone for investors and the costs of holding ground that offers no immediate potential for share price re-rating have become prohibitive and an unaffordable luxury in these hard times. Your Company believes this sale to be in the best interests of all Shareholders, as, if approved, it delivers cash to fund exploration at Red Bore, Allamber, and Sophie Downs. It is also one of very few recent uranium-related transactions in this depressed market and its successful completion would owe much to the hard work, perseverance and commitment of the management team.

We have also enjoyed success from the endeavours of our geological team during the year, with particular mention owing to our Chief Geologist Costica Vieru, whose dedication and commitment to revisiting and reviewing historical data at our projects has resulted in many new geological models and concepts for testing. The zinc mineralisation found at Little Mount Isa (WA) from a three-hole drilling program this year was a direct result of his re-evaluation of the potential there. The prospects at Allamber (NT) that we want to follow up in 2014, including the theoretical model of a porphyry copper-uranium body at depth below Cliff South, and the replacement skarn styles of mineralisation found at Nipper and elsewhere, could be the start of something big for the Company. We also plan to test our Curara Well ground north of Red Bore and DeGrussa in WA for possible repetitions of the DeGrussa style mineralisation in areas previously untested. This too is a result of the new geological interpretations and models created and developed by Costica.

This innovation and creative thinking is the lifeblood of a junior exploration company. Thundelarra is blessed with at least nine such targets that need to be tested in 2014 and any one of these could deliver the results we are all seeking. Those who know me well will know that one of my favourite sayings is "success is only one drillhole away". With the programs we have planned for the 2014 financial year, we are going to make sure that we won't be left wondering!

I would like to take this opportunity to thank our hard working CEO Tony Lofthouse, Director and Company Secretary Frank DeMarte, fellow Director Mal Randall, and our staff Costica Vieru and Bridget Reid for their continued support during a difficult year. And last but not least, to thank you our loyal Shareholders for your continued faith in what we are trying to achieve. I ask that you support the resolutions proposed for the Annual General Meeting and respond by having your proxies voting in favour of those resolutions lodged at an early date.

In conclusion I can ensure you that your loyalty to the Company will not be misplaced.

Philip Crabb
Chairman

REVIEW OF OPERATIONS

CHIEF EXECUTIVE OFFICER'S REVIEW OF OPERATIONS 2013

During the year to 30 September 2013 Thundelarra continued the process of rationalisation and cost control that was initiated in 2012. In what was another challenging year for the resources sector, and particularly for the explorers given the difficulty in raising capital, the ability to balance the need to preserve cash with the need to continue to develop and evaluate our exploration targets was our primary focus. An additional demand on management time and resources was the continuing legal battle to have recognised your Company's claim to a 60% equity interest in the Red Bore project.

On all these fronts Thundelarra believes that it has been a successful year, delivering a number of significant achievements that leave your Company well placed for the next cyclical upturn:

- Cost-saving initiatives that included an office relocation; reductions in staffing levels; and voluntary reductions by the Company's executive team of up to 50% of remuneration; delivered sustainable annual savings of about $4.5M;

- The project portfolio was rationalised through tenement sales, disposals, partial surrenders, and exit from various Joint Ventures, reducing the minimum annual exploration expenditure commitment on the entire portfolio from approximately $4.2M in April 2012 to the current level of less than $1M;

- The sale of the Hayes Creek uranium interests for a total consideration of $1.55M (subject to shareholder approval at the Annual General Meeting) was agreed in July 2013 with final Conditions Precedent satisfied in early November 2013, post balance date. We consider this an excellent outcome in a market that continues to show no interest in uranium exposure;

- The revision and re-interpretation of the geological models at all our main projects to deliver a number of exciting targets, albeit still at early stages of exploration; and

- The successful proceedings of the Red Bore dispute in the Supreme Court of Western Australia that, in late October 2013 (again post balance date), resulted in the Court finding that Thundelarra had indeed earned its 60% equity interest in the Red Bore Mining Lease. Thundelarra was also awarded costs in respect of the Red Bore action.

On the exploration front Thundelarra carried out seven drilling programs during the year at four main project areas: Allamber (near Pine Creek) and the Priscilla Line (at Hayes Creek) in the Northern Territory; and Curara Well (near Doolgunna) and Sophie Downs (in the East Kimberley) in Western Australia.

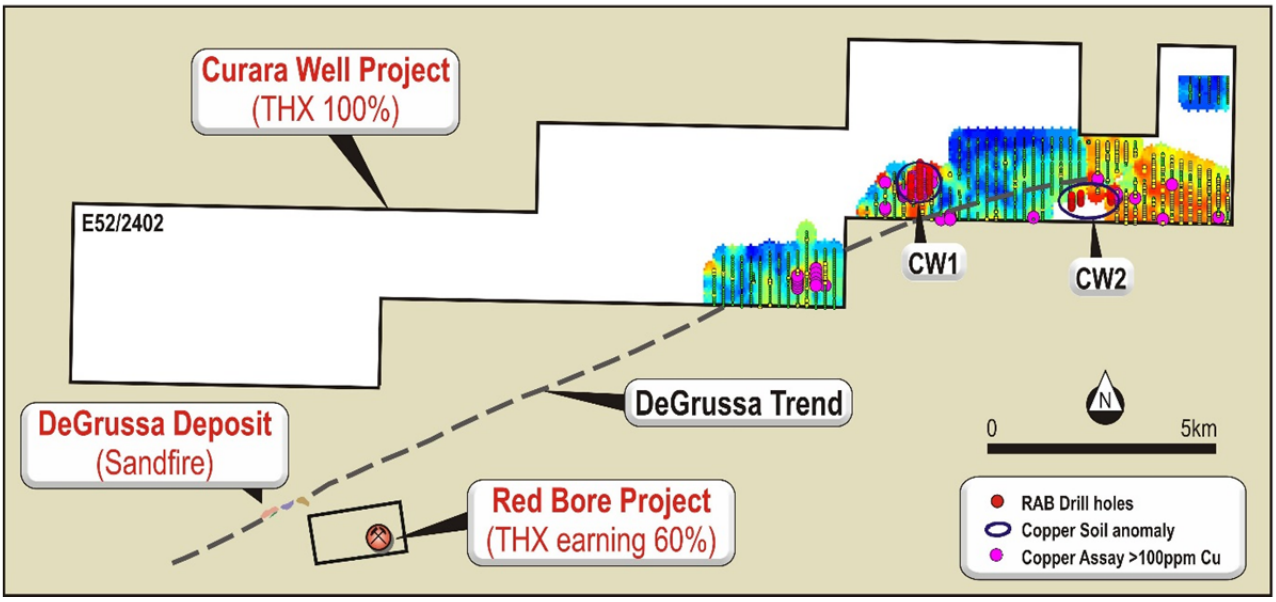
In all, 113 holes were drilled for a total advance of 7,222m. This was broken down as follows:

Type of Drilling	Holes	Metres Drilled	Prospects
Rotary Air Blast	79	3,405	Curara Well
Reverse Circulation	31	3,423	Allamber; Priscilla Line; Sophie Downs
Diamond	3	394	Curara Well
Total	113	7,222	

At **Curara Well** in the Murchison District of Western Australia, the main exploration objective was to test previously identified copper-in-soil anomalies for evidence of copper-gold mineralisation of the style found at the nearby DeGrussa mine operated by Sandfire Resources NL. The results showed the presence of thick zones (up to 40m) of shallow supergene copper enrichment at greater than 20 times the background level. Three diamond drillholes to test for primary mineralisation below these supergene zones confirmed the existence of metal sulphides in the system but did not locate any massive sulphide accumulations. Structural and petrographic evaluation interpreted the possible existence of a hydrothermal vent (a potential "black smoker" source of metal sulphides) at a structural intersection of the major regional Jenkins Fault system with a later cross-fault structure. This interpretation is supported further by the local geophysical data. Whilst encouraging, Heritage Clearance Surveys will be required before additional ground-disturbing work such as a drill program can be implemented to test the concept.

The **Red Bore** project (a 2 square kilometre granted mining licence located within Sandfire Resources' ground and only about 500m from their DeGrussa mine treatment plant) is just to the south of the Curara Well project area. No field work was conducted at Red Bore due to the continuing court case in the Supreme Court of Western Australia. The judgement was delivered on 29 October 2013 (post balance date) with the Court finding in Thundelarra's favour, ordering specific performance and awarding costs to Thundelarra. Your Company is now the registered holder of a 60% equity interest in Red Bore and will continue to pursue recovery of the costs awarded. When resolved satisfactorily, Thundelarra will review all previous exploration data with a view to establishing and implementing a work program to recommence active exploration at the project.

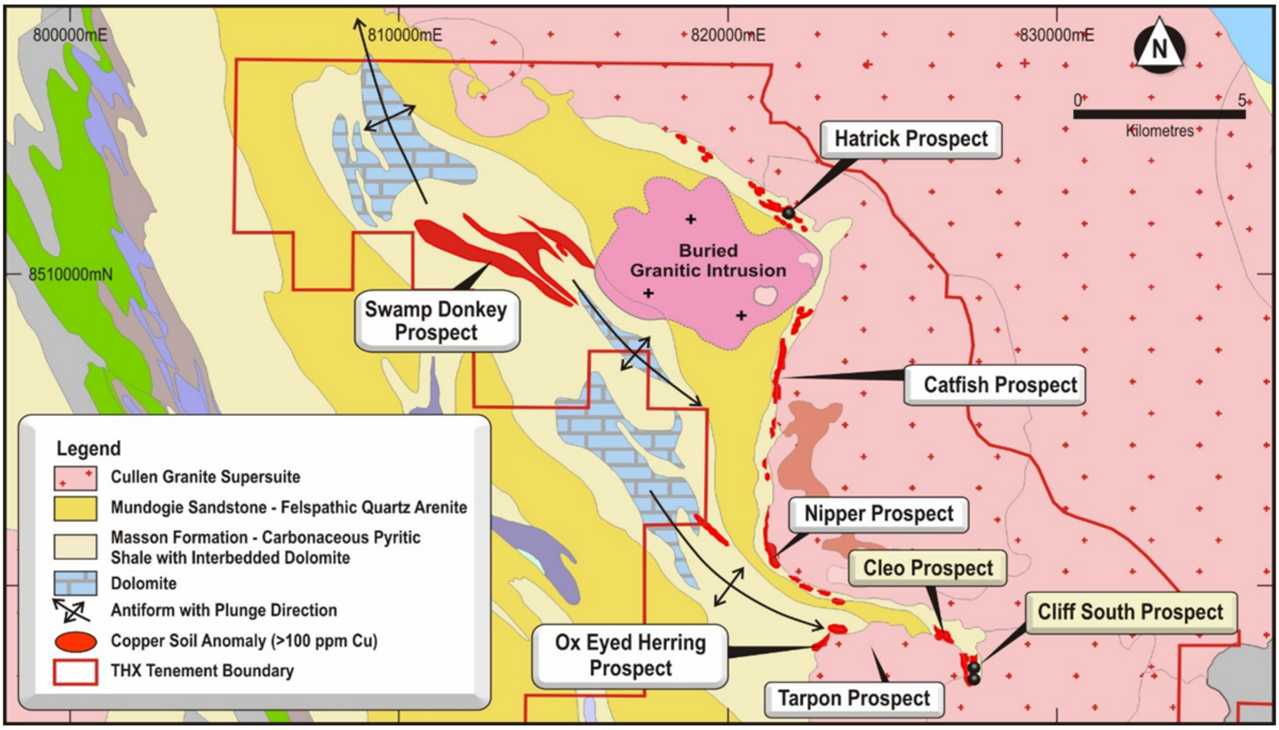
REVIEW OF OPERATIONS



Relative locations of Red Bore and Curara Well Projects in the context of the DeGrussa Mine.

The aim will be to test the very real potential for the existence of extensions / repetitions of the DeGrussa copper-gold mineralisation, the general trend of which suggests it may head into the Red Bore tenement, albeit probably at significant depth.

At **Allamber**, approximately 180km south-east of Darwin in the Northern Territory, activity during the year was a combination of corporate negotiations to consolidate and rationalise the tenement position, re-interpretation of the known geology to refine the mineralisation models to be tested, and two small programs of reverse circulation drilling that began that testing process. The corporate discussions were successful, leading to the acquisition of one of the principal tenements within the Allamber project area and the relinquishment of a number of joint venture and direct interests over tenements that were no longer considered to offer the potential for future commercial discovery. The drilling saw 22 holes drilled for 2,416m advance to test the geological setting at ten discrete prospects within the project area. The drilling was successful in demonstrating the presence of several different styles of mineralisation at several of the prospect areas, generating real and solid targets for future exploration programs.



Individual prospect locations within the Allamber Project area.

REVIEW OF OPERATIONS

At the **Ox-Eyed Herring – Tarpon – South Brumby** prospect the drilling identified, within granitic rocks, a series of laminated quartz-sulphide sheets containing chalcopyrite, pyrrhotite and pyrite. Copper intersections (*ASX Announcements*[1] *4 Oct 2012; 29 Nov 2012; 25 Oct 2013*) , included:

- 5m at 1.24% Cu from 54m downhole;
- 2m at 2.40% Cu from 14m downhole;
- 4m at 1.34% Cu from 102m downhole;
- 3m at 1.66% Cu from 54m downhole;
- 2m at 1.56% Cu from 11m downhole; and
- 2m at 1.47% Cu from 60m downhole.

Whilst true widths have not yet been established and these results might not be considered commercial intercepts on standalone basis, nevertheless geologically they are highly significant in that they confirm the presence of mineralisation within the system. Further exploration will be directed towards establishing whether sufficient density of these sheets and associated veining exist to represent a large tonnage, low average grade target, or whether they are the near-surface expression of a larger primary source of mineralisation at depth, possibly in the form of a body of porphyry-style mineralisation.

At **Nipper** and several other locations where the local carbonate (dolomite) rocks come into relatively close contact with the known intrusive bodies (granites), the possibility exists for skarn-style replacement mineralisation. The initial drillholes and subsequent petrography have proved this model, with anomalous tin, tungsten, copper and gold mineralisation identified. Although none of the intersections to date have shown ore-grade mineralisation, these results are again considered highly significant as they prove the genetic model and justify more detailed future follow-up.

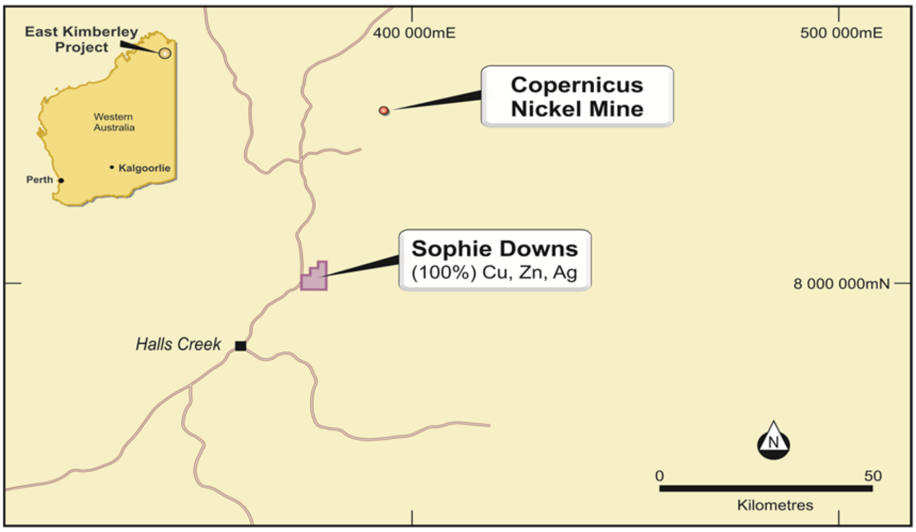
At **Cliff South**, the drilling results continue to extend the known zone of wide, high-grade uranium intersections, with associated copper values, that appear to increase at depth. Intersections to date (*ASX Announcements*[1] *12 Dec 2012; 25 Oct 2013*) have included:

- 49m at 787ppm (1.7lb/t) U_3O_8;
    - Including 17m at 1,286ppm (2.8lb/t) U_3O_8 and 0.06% Cu;
- 17m at 974ppm (2.1lb/t) U_3O_8 and 0.15% Cu;
- 23m at 1,304ppm (2.8lb/t) U_3O_8;
- 42m at 611ppm (1.3lb/t) U_3O_8

The presence of a topographic high, coincident with a gravity anomaly, in conjunction with the uranium and copper mineralisation already identified, opens up the possibility of a deep-seated late-stage fractionated granite source that may have porphyry characteristics often associated with IOCG style mineralisation of the same type that form the Prominent Hill and Olympic Dam orebodies. Such concepts are valid geological hypotheses on the information available to date and warrant testing in future programs.

Allamber also offers the potential for copper mineralisation at the **Hatrick** and **Catfish** prospects, as well as possessing numerous established occurrences of graphite, of both flake and amorphous form, at locations along the 18 kilometre metamorphic contact of the Masson formation carbonaceous sediments with the Allamber Springs granite.

In the East Kimberley region of Western Australia, the **Sophie Downs** project contains the **Little Mount Isa** prospect.



Sophie Downs and Copernicus locations in the East Kimberley.

REVIEW OF OPERATIONS

Re-interpretation of the available geological information led to a small program of three drillholes to test Little Mount Isa, which in the recent past had been neglected by explorers in favour of the nearby Ilmars prospect (also within the Sophie Downs project area). The results of the drilling again demonstrated the interpretative and geological skills of Thundelarra's chief geologist, with success in two of the three holes drilled delivering previously unrecognised zinc mineralisation (*ASX Announcement*[1] *20 Aug 2013*):

- 13m at 4.6% Zn, including 6m at 8.4% Zn and 3m at 12.6% Zn;
- 12m at 4.0% Zn.

Further investigation and follow-up work is warranted.

Thundelarra continues to hold minority contributing interests in joint venture with Panoramic Resources Ltd over the **Copernicus Nickel Mine** (still on care and maintenance) and on nearby regional exploration tenements forming part of the East Kimberley Joint Venture. During the past year, given economic circumstances and the depressed level of the nickel price, Thundelarra has not contributed to JV expenditures on these nickel projects, electing instead to dilute its interests.

Your Company also owns the **Ngalia Basin** uranium project in Central Australia, but no field work, apart from rehabilitation work, was carried out on this project during the year due to the continuing adverse market sentiment for uranium exposure. Thundelarra did withdraw from some parts of the Basin that were under joint venture, and has also surrendered less prospective parts of the project area in order to reduce overheads. Discussions continue at a corporate level with a number of parties who have expressed interest in the possibility of entering a joint venture over the project area in anticipation of a recovery in the global market for uranium.

During the year your Company successfully concluded long-standing arms' length negotiations with an Australian private mineral exploration and development company that holds a counter-cyclical view on the outlook for uranium. Thundelarra has no association with this company, which has (subject to shareholder approval being sought at the Annual General Meeting in February 2014) purchased the **Hayes Creek** uranium assets for a total consideration of $1.55M, either all in cash or potentially in a mix of cash and shares, should the purchaser list within two years.

Thundelarra considers this to be a very satisfactory and successful outcome given the expenditure commitments associated with the project, the continuing negative market sentiment for uranium, and the almost total absence of recent corporate transactions in the uranium sector. The sale is consistent with your Company's stated strategy of focusing on our core project assets, mainly in copper and associated metals, at Allamber, Curara Well, Red Bore, and in the East Kimberley.

Thundelarra is well-positioned to take advantage of the anticipated (and long-overdue) recovery in the metals exploration sector in 2014 and beyond. The process of cost-cutting and project rationalisation that has been continued during the 2013 financial year has streamlined the Company and more clearly defined a focus for the future. The successful outcome of the Red Bore court case provided certainty at last and will allow exploration to resume once the issue of the costs awarded to Thundelarra by the Court is finalised and settled. The sale of the Hayes Creek assets, if approved by Shareholders, will deliver a cash injection to help fund exploration at the exciting suite of prospects that we have to explore at Allamber, Red Bore, Curara Well, Sophie Downs and others within our project portfolio.

[1] *This information was prepared and first disclosed under the 2004 JORC Code. It has not been updated to comply with the 2012 JORC Code as the information has not changed materially since it was last reported.*

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2013

APPROACH TO CORPORATE GOVERNANCE

Thundelarra Limited (**Company**) has established a corporate governance framework, the key features of which are set out in this statement. In establishing its corporate governance framework, the Company has referred to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 2nd edition (**Principles & Recommendations**). The Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices do not follow a recommendation, the Board has its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company has adopted instead of those in the recommondation.

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

Charters
Board
Audit Committee
Nomination Committee
Remuneration Committee

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

The Company reports below on how it has followed each of the recommendations during the 2012/2013 financial year (**Reporting Period**). The information in this statement is current at 18 November 2013.

BOARD

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

The Company has established the functions reserved to the Board, and those delegated to senior executives and has set out these functions in its Board Charter, which is disclosed on the Company’s website.

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

Senior executives are responsible for supporting the Chief Executive Officer and assisting the Chief Executive Officer in implementing the running of the general operations and financial business of the Company in accordance with the delegated authority of the Board. Senior executives are responsible for reporting all matters which fall within the Company's materiality thresholds at first instance to the Chief Executive Officer or, if the matter concerns the Chief Executive Officer, directly to the Chair or the lead independent director, as appropriate.

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2013

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

A profile of each Director setting out their skills, experience, expertise and period of office is set out in the Directors' Report on page 14.

The mix of skills and diversity for which the Board is looking to achieve is represented by the composition of its current Board. The Board comprises directors who possess the following skills and qualifications: extensive corporate, management and marketing experience in the resources sector; financial; geological and investment banking. The Board considers that this mix of skills is appropriate for the Company’s current circumstances. The Company has adopted a Diversity Policy (see further on page 11) and encourages diversity in the composition of its Board, as means of ensuring the Company has an appropriate mix of skills and talent to conduct its business and achieve the Company’s goals.

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

The Board does not have a majority of directors who are independent. The composition of the Board changed during the Reporting Period. At the commencement of the Reporting Period, the Board comprised:

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

On 5 February 2013, Mr Crabb took over as the Chair of the Board. On 30 April 2013, Mr Hopkins resigned from the Board.

The Board now comprises:

Name	Executive/non-executive	Independent status
Philip Crabb (Chair)	Non-executive	Not independent
Malcolm Randall	Non-executive	Independent
Frank DeMarte	Executive	Not independent

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

The Board considers the independence of directors having regard to the relationships listed in Box 2.1 of the Principles & Recommendations and the Company's materiality thresholds. The Board has agreed on the following guidelines, as set out in the Company's Board Charter for assessing the materiality of matters:

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

As noted above, the independent directors of the Company during the reporting period were Malcolm Randall and John Hopkins (resigned 30 April 2013). These directors are independent as they are non-executive directors who are not

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2013

members of management and who are free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgment.

The non-independent directors of the Company are Philip Crabb (a substantial shareholder of the Company) and Frank DeMarte (Chief Financial Officer and Company Secretary).

The Board had an independent Chair of the Board (Malcolm Randall) until 5 February 2013. Since that date, Philip Crabb has been Chair of the Board. The Board believes that Philip Crabb is the most appropriate person for the position of Chair because of his industry experience and knowledge. Philip Crabb and his associate's substantial shareholding is the only factor that precludes him from being considered independent. The Board believes that Philip Crabb makes decisions that are in the best interests of the Company.

The Chief Executive Officer is Tony Lofthouse who is not Chair of the Board.

Independent professional advice
(Recommendation: 2.6)

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

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

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

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

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

BOARD COMMITTEES

Nomination Committee
(Recommendations: 2.4, 2.6)

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

The Board convened as a Nomination Committee once during the Reporting Period. Details of director attendance at the meeting of the full Board, in its capacity as the Nomination Committee, during the Reporting Period are set out in the Directors' Report on page 23.

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

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2013

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

The Board has established an Audit Committee. From the commencement of the Reporting Period until 30 April 2013, the Audit Committee was structured in compliance with Recommendation 4.2 and comprised:

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

However as noted above, on 30 April 2013, Mr Hopkins resigned. Accordingly, since that date the Audit Committee has comprised only two members, and does not comprise a majority of independent directors. Mr Randall took over as Chair of the Audit Committee following Mr Hopkins' resignation. The Board considers that the most appropriate members for its Audit Committee at this time are its two non-executive directors. However, Mr DeMarte, who is also the Company's Chief Financial Officer, is invited to attend Audit Committee meetings by invitation.

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

The Audit Committee held two meetings during the Reporting Period. Details of director attendance at Audit Committee meetings is set out in a table in the Directors' Report on page 23.

Details of each of the director's qualifications are set out in the Directors' Report on page 14. The members of the Audit Committee consider themselves to be financially literate and have an understanding of the industry in which the Company operates. As noted above, the Company's Chief Financial Officer also attends Audit Committee meetings by invitation.

The Company has established a Procedure for the Selection, Appointment and Rotation of its External Auditor. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises, as recommended by the Audit Committee (or its equivalent). Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Audit Committee (or its equivalent) and any recommendations are made to the Board.

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

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

From the commencement of the Reporting Period until 30 April 2013, the Board had established a Remuneration Committee comprising Mr Hopkins (Chair) and Mr Randall. The Remuneration Committee was not structured in accordance with Recommendation 8.2 as it comprised only two members. However, the Board considered that it was appropriate that the committee be comprised of the Board's two independent non-executive directors.

However, following Mr Hopkins' resignation on 30 April 2013, the full Board has performed the role of Remuneration Committee. The Board considers that given the composition of the Board, no efficiencies or other benefits would be gained by establishing a separate Remuneration Committee. Items that are usually required to be discussed by a Remuneration Committee are marked as separate agenda items at Board meetings when required. When the Board convenes as the Remuneration Committee it carries out those functions which are delegated to it in the Company's Remuneration Committee Charter. The Board deals with any conflicts of interest that may occur when convening in the capacity of the Remuneration Committee by ensuring that the director with conflicting interests is not party to the relevant discussions.

During the Reporting Period, the Remuneration Committee held one meeting. Details of director attendance at the Remuneration Committee meeting held during the Reporting Period are set out in a table in the Directors' Report on page 23.

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

CORPORATE GOVERNANCE STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2013

Details of remuneration, including the Company's policy on remuneration, are contained in the "Remuneration Report" which forms of part of the Directors' Report and commences on page 16. The Company's policy on remuneration clearly distinguishes the structure of non-executive directors' remuneration from that of executive directors and senior executives. Non-executive directors are remunerated at a fixed fee for time, commitment and responsibilities. Remuneration for non-executive directors is not linked to individual performance. From time to time the Company may grant options to non-executive directors. Under the Company's current circumstances, the granting of options is considered to be a cost effective and efficient reward for the directors, as opposed to alternative forms of remuneration, such as the payment of additional cash compensation to the Directors. Executive remuneration is designed to promote superior performance and long term commitment to the Company. Pay and rewards for executive directors and senior executives consists of a base salary and performance incentives. Overall, the remuneration is subject to the discretion of the Board and can be altered to reflect the competitive market and business conditions, where it is in the best interest of the Company and the shareholders to do so. Long term performance incentives may include options granted at the discretion of the Board and subject to obtaining the relevant approvals.

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

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

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

PERFORMANCE EVALUATION

Senior executives
(Recommendations: 1.2, 1.3)

During the Reporting Period, the Company had two senior executives; the Chief Executive Officer and the Chief Financial Officer and Company Secretary (who is also a Board member).

The Chair is responsible for evaluating the Chief Executive Officer. The evaluation is conducted at the time of the executive's annual remuneration review, and involves an interview with the Chair to discuss performance against the Chief Executive Officer's contract with the Company. The Chair also evaluates the performance of the Chief Executive Officer on an ongoing basis via informal discussions about performance.

The Chief Financial Officer and Company Secretary's performance was reviewed as part of his review as a Board member. Please see further below.

During the Reporting Period a performance evaluation of the Chief Executive Officer took place in accordance with the process disclosed above.

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

The Chair is responsible for evaluating the Board and, when appropriate, Board committees and individual directors. Each of the directors (including the Chair) completes a questionnaire and the Chair discusses the responses to the questionnaire with the Board on a round-table basis. The Chair is reviewed on this basis by the rest of the Board. Where a Board member also performs an executive role (eg. in the case of the Chief Financial Officer and Company Secretary), the review also addresses the directors' executive role.

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

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

ETHICAL AND RESPONSIBLE DECISION MAKING

Code of Conduct
(Recommendations: 3.1, 3.5)

The Company has established a Code of Conduct as to the practices necessary to maintain confidence in the Company's integrity, the practices necessary to take into account its legal obligations and the reasonable expectations of

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2013

its stakeholders and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

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

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

The Company has established a Diversity Policy. However, the Diversity Policy does not include requirements for the Board to establish measurable objectives for achieving gender diversity or for the Board to assess annually both the objectives and progress towards achieving them, nor has the Board established measurable objectives for achieving gender diversity.

The Board considers that the Company has in place policies and arrangements to encourage diversity in employment. Further, due to the Company's current operations, size and small number of employees, the Board considers that it is difficult to set meaningful measurable objectives for achieving gender diversity. The Board will review its position and may develop measurable objectives when the Company's operations increase.

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

	Proportion of women
Whole organisation	1 out of 9 (11%)
Senior Executive positions	0 out of 1 (0%)
Board	0 out of 3 (0%)

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

CONTINUOUS DISCLOSURE
(Recommendations: 5.1, 5.2)

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

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

SHAREHOLDER COMMUNICATION
(Recommendations: 6.1, 6.2)

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

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

RISK MANAGEMENT
Recommendations: 7.1, 7.2, 7.3, 7.4)

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

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

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

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

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2013

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

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

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

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

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

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

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

DIRECTORS' REPORT

The Directors present their report on the Consolidated Entity consisting of Thundelarra Limited and the entities it controlled at the end of, or during, the year ended 30 September 2013.

INFORMATION ON DIRECTORS

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

Mr Philip G Crabb	Non-Executive Chairman	
Mr Frank DeMarte	Executive Director	
Mr John D Hopkins	Non-Executive Director	(Resigned on 30 April 2013)
Mr Malcolm R J Randall	Non-Executive Director	

PRINCIPAL ACTIVITY

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

RESULT OF OPERATIONS

During the year the Consolidated Entity incurred a consolidated operating loss after tax of $4,955,592 (2012 – loss $4,738,870).

DIVIDENDS

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

NATIVE TITLE

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

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

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Since the end of the financial period, the Directors are not aware of matter or circumstance not otherwise dealt with in this report or the Financial Statements, that has significantly or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in subsequent years with the exception of the following, the financial effects of which have not been provided for in the 30 September 2013 financial statements:

Thundelarra Wins Red Bore Court Case
The decision handed down in the Supreme Court Of Western Australia by the Hon Justice Edelman confirmed that the Company had satisfied the requirements to earn a 60% interest in the Red Bore mining lease (52/597) pursuant to an agreement with Mr Bill Richmond. Mr Richmond was also ordered by the Court to pay the Company's costs of the Court action. The Company's 60% interest in the Red Bore mining lease was registered by the Department of Mines and Petroleum on 11 November 2013.

Sale of Hayes Creek Uranium Interests
Thundelarra sold its uranium interests in around the Hayes Creek area in the Northern Territory. The consideration for the disposal is a mixture of cash and shares for an aggregate value of approximately $1.5 million of which the initial cash component is $650,000. The share component will crystallise within the next two years as and when the purchaser lists on the ASX or other recognised stock exchange

DIRECTORS' REPORT

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

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

ENVIRONMENTAL ISSUES AND REGULATIONS

The Consolidated Entity has interests in mining tenements (including prospecting, exploration and mining leases). The leases and licence conditions contain environmental obligations. The Consolidated Entity has assessed whether there are any particular or significant environmental regulations which apply. It has determined that the risk of non-compliance is low, and has not identified any compliance breaches during the year. The directors are not aware of any environmental matters which would have a significant adverse effect on the Consolidated Entity.

CORPORATE INFORMATION

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

INFORMATION ON DIRECTORS

PHILIP G CRABB
FAusIMM, MAIC, 73
Non-Executive Chairman

Mr Crabb is a Fellow of the Australasian Institute of Mining and Metallurgy and a member of the Institute of Company Directors. Mr Crabb has been actively engaged in mineral exploration and mining activities for the past 44 years in both publicly listed and private exploration companies. He has considerable experience in field activities, having been a drilling contractor, quarry manager and mining contractor. Mr Crabb has extensive knowledge of the Australian Mining Industry and has experience with management of Australian publicly listed companies. Mr Crabb is presently the Chairman of Royal Resources Limited (since 2005) and a director of Aldershot Resources Ltd (since 2010).

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

Former Directorships in last three years
None.

Special Responsibilities
Member of Nomination Committee from March 2012.
Member of Audit Committee from March 2012.

Malcolm R J Randall
B.Applied Chem, MAICD, 68
Non-Executive 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 27 years with the Rio Tinto group of companies. His experience has covered a diverse range of mineral activities including Iron Ore, Base Metals, Uranium, Mineral Sands and Coal.

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

Mr Randall was appointed a director on 8 September 2003.

Former Directorships in last three years
None.

Special Responsibilities
Chairman of Audit Committee from April 2013.
Chairman of Nomination Committee from December 2004.
Chairman of Remuneration Committee from April 2013.

DIRECTORS' REPORT

FRANK DEMARTE
BBus, FGIA, FAICD, 51
Executive Director

Mr DeMarte has over 29 years of experience in the mining and exploration industry in Western Australia. Mr DeMarte has held executive positions with a number of listed mining and exploration companies and is currently an Executive Director, Company Secretary and Chief Financial Officer of the Company.

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

Mr DeMarte was appointed a director on 30 April 2001.

Former Directorships in last three years
None.

Special Responsibilities
Member of Nomination Committee from December 2004.
Member of Remuneration Committee from April 2013.
Chief Financial Officer
Company Secretary

JOHN D HOPKINS
LLB, FAIC, 63
Non-Executive Director

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

More recently, Mr Hopkins has practised as an independent non-executive director of a number of resources companies. Mr Hopkins is presently Chairman of the following ASX listed companies, Wolf Minerals Ltd and Universal Coal Plc.

Mr Hopkins was appointed a director on 30 September 2011 and resigned on 30 April 2013.

Former Directorships in last three years
Hawkley Oil and Gas Ltd from December 2010 to January 2012.
Midas Resources Limited from June 2011 to June 2013.

Special Responsibilities
Chairman of Audit Committee from September 2011 to 30 April 2013.
Member of Nomination Committee from September 2011 to 30 April 2013.
Chairman of Remuneration Committee from February 2012 to 30 April 2013.

INTEREST IN THE SHARES AND OPTIONS OF THE COMPANY

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

Director	Number of Ordinary Shares	Number of Options over Ordinary Shares
Philip G Crabb	33,341,333	2,750,000
Malcolm R J Randall	1,009,191	2,500,000
Frank DeMarte	3,889,416	4,500,000

DIRECTORS' REPORT

COMPANY SECRETARY
FRANK DEMARTE *Age 51*
BBus, FGIA, FAICD

The Company Secretary is Mr Frank DeMarte. Mr DeMarte has over 29 years of experience in the mining and exploration industry in Western Australia and has held executive positions with a number of listed mining and exploration companies.

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

SHARES UNDER OPTION
As at the date of this report, there were 24,825,000 unissued ordinary shares of the Company under option as follows:

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

SHARES ISSUED AS A RESULT OF THE EXERCISE OF OPTIONS

During the financial year;

(1) 3,355 options exercisable at $0.20 were exercised;
(2) 4,250,000 options exercisable at $0.50 expired on 28 February 2013;
(3) 6,774,775 options exercisable at $0.20 expired on 29 March 2013; and
(4) 660,000 options exercisable at $0.96 expired on 20 September 2013.

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

REMUNERATION REPORT (AUDITED)
This Remuneration Report details the nature and amount of remuneration for each of the directors and other senior management personnel of the Company.

(a) Details of Key Management Personnel

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

Philip G Crabb	Non-Executive Chairman	
Frank DeMarte	Executive Director	
John D Hopkins	Non-Executive Director	(Resigned on 30 April 2013)
Malcolm R J Randall	Non-Executive Director	
Antony L Lofthouse	Chief Executive Officer	

DIRECTORS' REPORT

REMUNERATION Report (Audited) (continued)

(b) Compensation of Key Management Personnel

(i) Compensation Policy
The Company's remuneration policy for executive directors is designed to promote superior performance and long term commitment to the Company. Executives receive a base remuneration, which is market related. Overall, the remuneration policy is subject to the discretion of the Board and can be altered to reflect the competitive market and business conditions, where it is in the best interest of the Company and the shareholders to do so.

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

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

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

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

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

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

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

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

(C) Non-Executive Director Compensation

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

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

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

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

DIRECTORS' REPORT

REMUNERATION Report (Audited) (continued)

(b) Compensation of Key Management Personnel (continued)

Normally, each non-executive director receives $49,500 per annum effective from 1 July 2012 ($55,000 per annum prior to 1 July 2012), exclusive of any superannuation obligations for being a director of the Company. The exception to this fee structure is the Chairman of the Board who receives $61,425 per annum exclusive of any superannuation ($68,250 per annum prior to 1 July 2012). However, due to the deteriorating markets conditions during the year and the Company's financial position each non-executive director voluntarily agreed to reduce their fees from $49,500 per annum to $21,000 per annum effective from 1 August 2013. The Chairman also voluntarily agreed to reduce his fees from $61,425 per annum to $Nil per annum effective from 1 August 2013.

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

The compensation of non-executive directors for the year ended 30 September 2013 is detailed as per the disclosures on page 19.

(D) Executive Compensation

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

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

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

The Company has entered into detailed contracts of employment with the Chief Executive Officer and the Executive Director, details of these contracts are provided on page 15.

(E) Fixed Compensation

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

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

(F) Other Compensation

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

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

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (continued)

(b) Compensation of Key Management Personnel (continued)

Details of the remuneration of each director of Thundelarra Limited and other key management personnel, including their personally related entities are set out below:

Remuneration of key management personnel for the year ended 30 September 2013

		Short-Term			Post Employment	Other Long Term	Share Based Payment	Total $	% Remuneration
Names		**Salary & Fees**	**Annual Leave Movement**	**Other (4)**	**Superannuation**	**Long Service Leave**	**Equity Options**		**Consisting of Options for the Year**
Executive Directors									
Brett T Lambert (1)	**2013**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2012	200,259	2,200	2,352	19,568	(21,245)	-	203,134	-
Frank DeMarte	**2013**	**223,015**	**(32,621)**	**3,912**	**20,183**	**(19,007)**	**-**	**195,482**	**-**
	2012	257,400	(11,435)	7,589	23,166	(12,308)	26,550	290,962	9%
Brian D Richardson (2)	**2013**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2012	198,000	(2,148)	3,024	18,003	(12,540)	26,550	230,889	11%
Non-Executive Directors									
Malcolm R J Randall	**2013**	**48,862**	**-**	**-**	**4,416**	**-**	**-**	**53,278**	**-**
	2012	66,544	-	-	5,989	-	26,550	99,083	27%
John D Hopkins(3)	**2013**	**28,938**	**-**	**-**	**2,570**	-	**-**	**31,508**	-
	2012	53,625			4,826		26,550	85,001	31%
Philip G Crabb	**2013**	**46,443**	**-**	**-**	**4,192**	**-**	**-**	**50,635**	**-**
	2012	29,933	-	-	2,694	**-**	**-**	32,627	-
Executive									
Antony L Lofthouse	**2013**	**343,228**	**(5,370)**	**5,357**	**31,009**	**-**	**21,133**	**395,357**	**5%**
	2012	113,491	9,986	2,208	46,229	-	14,023	185,937	8%
Totals	**2013**	**690,486**	**(37,991)**	**9,269**	**62,370**	**(19,007)**	**21,133**	**726,260**	**3%**
	2012	919,252	(1,397)	15,173	120,475	(46,093)	120,223	1,127,633	11%

Notes: (1) B T Lambert resigned on 2 May 2012.
(2) B D Richardson resigned on 29 June 2012.
(3) J D Hopkins resigned on 30 April 2013.
(4) In respect to other, the amounts relate to car parking and life insurance benefits for the year.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (continued)

(c) Compensation by Category: Key Management Personnel

Category	Consolidated and Parent Entity 2013 $	 2012 $
Short Term	661,764	933,028
Post Employment	62,370	120,475
Share Based Payments	21,133	120,223
Long Term	(19,007)	(46,093)
	726,260	1,127,633

(d) Employment Agreements for Key Management Personnel

Mr Frank DeMarte – Executive Director, Company Secretary and CFO

- Term of the agreement – no fixed term.
- Base salary of $237,600 effective 1 July 2012. Due to the deteriorating markets conditions during the year and the Company's financial position, the base salary was voluntarily reduced by 37% from $237,600 to $150,000 effective 1 August 2013, reviewed annually.
- Statutory superannuation of 9%.
- Payment of a benefit on early termination by the Company, other than gross misconduct, equal to 12 months base salary including superannuation.

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

- Term of the agreement – no fixed term.
- Base salary of $300,000 effective 2 April 2012. Due to the deteriorating markets conditions during the year and the Company's financial position, the base salary was voluntarily reduced by 50% from $300,000 to $150,000 effective 1 August 2013, reviewed annually.
- Statutory superannuation of 9%.
- Payment of a benefit on early termination by the Company, other than gross misconduct, equal to 6 months base salary including superannuation.

(e) Share Based Compensation Options

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

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (continued)

(e) Share Based Compensation Options (continued)

Compensation Options: Granted and vested during the year ended 30 September 2013.

30 September 2013	Terms and Conditions for each Grant							
Key Management Personnel	Number Vested	Number Granted	Grant Date	Fair Value per option at Grant Date ($) (Note 22)	Exercise Price per option ($) (Note 22)	Expiry Date	First Exercise Date	Last Exercise Date
F DeMarte	-	-	-	-	-	-	-	-
M R J Randall	-	-	-	-	-	-	-	-
J D Hopkins (1)	-	-	-	-	-	-	-	-
P G Crabb	-	-	-	-	-	-	-	-
A L Lofthouse	1,000,000	-	16/04/12	$0.0208	$0.25	16/04/14	16/04/13	16/04/14
Total	1,000,000	-						

Note (1) J D Hopkins resigned on 30 April 2013.

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

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

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (continued)

(f) Shares Issued on exercise of compensation options

No shares were issued to directors on exercise of compensation options for the years ended 30 September 2013 and 2012. No other key management personnel exercised compensation options during the year ended 30 September 2013.

(g) Options granted as part of remuneration

The following table summarises the value of options granted, exercised or lapsed for the year ended 30 September 2013.

30 September 2013	Value of options granted during the year	Value of options exercised during the year	Value of options lapsed during the year	% Remuneration Consisting of Options for the year
F DeMarte	-	-	-	-
M R J Randall	-	-	-	-
J D Hopkins (1)	-	-	-	-
P G Crabb	-	-	-	-
A L Lofthouse	-	-	-	5%
Total	-	-	-	3%

Note (1) J D Hopkins resigned on 30 April 2013.

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

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

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

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

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

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

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

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (continued)

(h) Equity instruments

Analysis of options and rights over equity instruments granted as compensation. Details of vesting profiles of the options granted as remuneration to each key management personnel of the group are detailed below:

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

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

	Board of Directors' Meetings		Audit Committee Meetings		Remuneration Committee Meetings		Nomination Committee Meetings	
Name	**Number attended**	**Number eligible to attend**	**Number attended**	**Number eligible to attend**	**Number attended**	**Number eligible to attend**	**Number attended**	**Number eligible to attend**
M R J Randall	9	10	2	2	-	1	1	1
F DeMarte	10	10	2	2	-	-	1	1
J D Hopkins[(1)]	6	6	1	1	1	1	-	-
P G Crabb	10	10	2	2	1	1	1	1

(1) J D Hopkins resigned on 30 April 2013.

Committee Memberships

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

Audit	Remuneration	Nomination
M R J Randall [(C)]	M J Randall [(C)]	M J Randall [(C)]
F DeMarte	F DeMarte	F DeMarte
P G Crabb	P G Crabb	P G Crabb
		A Lofthouse

Note: (C) Designates the Chairman of the Committee. M R J Randall was appointed Chairman of the Remuneration Committee and the Audit Committee on 30 April 2013. F DeMarte was appointed a member of the Remuneration Committee on 30 April 2013.

DIRECTORS' REPORT

RESIGNATION, ELECTION AND CONTINUATION IN OFFICE

In accordance with the Constitution of the Company, Malcolm R J Randall retires by rotation and being eligible, offers himself for re-election at the Annual General Meeting.

PROCEEDINGS ON BEHALF OF THE COMPANY

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

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

INSURANCE OF DIRECTORS AND OFFICERS

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

AUDITOR INDEPENDENCE

The auditor's independence declaration for the year ended 30 September 2013 has been received and can be found on page 70.

Signed in accordance with a resolution of the directors.

FRANK DEMARTE
Executive Director

Perth, Western Australia

4 December 2013

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2013

	Notes	Consolidated 2013 $	Consolidated 2012 $
REVENUE FROM CONTINUING OPERATIONS			
Revenue	4(a)	107,145	297,525
Other income	4(b)	360,488	2,312,016
		467,633	2,609,541
EXPENDITURE			
Amortisation and depreciation		(122,178)	(235,278)
Employee benefits expense	4(c)	(73,774)	(120,223)
Exploration expenditure written off or impaired	4(d)	(3,394,862)	(4,872,635)
Administration expenses	4(e)	(1,972,016)	(2,845,348)
Profit/(Loss) from continuing operations before income tax expense		**(5,095,197)**	**(5,463,943)**
Income tax (expense)/benefit	5	139,605	725,073
Net profit/(loss) from continuing operations for the year		**(4,955,592)**	**(4,738,870)**
Other comprehensive income			
Item that will not be reclassified to profit or loss		-	-
Item that may be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income/(loss) for the year		**(4,955,592)**	**(4,738,870)**
Net Profit/(Loss) attributable to members of the parent entity		**(4,955,592)**	**(4,738,870)**
Comprehensive income/(loss) attributable to members of the parent entity		**(4,955,592)**	**(4,738,870)**
Profit/(loss) per share attributable to ordinary equity holders:			
Basic earnings/(loss) (cents per share)	7	(2.16)	(2.96)
Diluted earnings/(loss) (cents per share)	7	(2.16)	(2.96)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2013

	Notes	Consolidated 2013 $	2012 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6(b)	872,191	2,210,275
Trade and other receivables	8	181,692	95,801
Other financial assets	9	319,383	365,756
TOTAL CURRENT ASSETS		1,373,266	2,671,832
NON-CURRENT ASSETS			
Other receivables	8	899,304	1,010,785
Property, plant and equipment	10	224,639	353,128
Exploration expenditure	12(a)	-	-
Mine development	12(b)	60,527	174,402
Deferred tax asset	13	-	-
Intangible asset	14	1,570	36,680
TOTAL NON-CURRENT ASSETS		1,186,040	1,574,995
TOTAL ASSETS		2,559,306	4,246,827
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	15	424,284	495,435
Provisions	16	189,843	280,365
TOTAL CURRENT LIABILITIES		614,127	775,800
NON-CURRENT LIABILITIES			
Provisions	16	121,764	221,130
Deferred tax liability	17	-	-
TOTAL NON-CURRENT LIABILITIES		121,764	221,130
TOTAL LIABILITIES		735,891	996,930
NET ASSETS		1,823,415	3,249,897
EQUITY			
Contributed equity	18(a)	44,010,178	40,554,842
Reserves	18(d)	7,350,522	7,276,748
Accumulated losses	19	(49,537,285)	(44,581,693)
TOTAL EQUITY		1,823,415	3,249,897

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2013

CONSOLIDATED	Notes	Contributed Equity $	Reserves $	Accumulated Losses $	Total $
Balance at 1 October 2011		39,550,673	7,156,525	(39,842,823)	6,864,375
Total comprehensive income for the year					
Profit/(Loss) for the year		-	-	(4,738,870)	(4,738,870)
Total comprehensive income/(loss) for the year		-	-	(4,738,870)	(4,738,870)
Transactions with owners recorded directly in equity:					
Cost of share based payments	18(d)	-	120,223	-	120,223
Shares issued during the year	18(b)	1,160,000	-	-	1,160,000
Transaction costs	18(b)	(155,831)	-	-	(155,831)
		1,004,169	120,223	-	1,124,392
Balance at 30 September 2012		40,554,842	7,276,748	(44,581,693)	3,249,897

CONSOLIDATED	Notes	Contributed Equity $	Reserves $	Accumulated Losses $	Total $
Balance at 1 October 2012		40,554,842	7,276,748	(44,581,693)	3,249,897
Total comprehensive income for the year					
Profit/(Loss) for the year		-	-	(4,955,592)	(4,955,592)
Total comprehensive income/(loss) for the year		-	-	(4,955,592)	(4,955,592)
Transactions with owners recorded directly in equity:					
Cost of share based payments	18(d)	-	73,774	-	73,774
Shares issued during the year	18(b)	3,514,027	-	-	3,514,027
Transaction costs	18(b)	(58,691)	-	-	(58,691)
		3,455,336	73,774	-	3,529,110
Balance at 30 September 2013		44,010,178	7,350,522	(49,537,285)	1,823,415

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2013

	Notes	Consolidated 2013 $	Consolidated 2012 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from government grant		-	725,073
Other revenue received		258,498	348,513
Payment to suppliers		(1,897,123)	(2,435,026)
Interest paid		-	(42)
Interest received		119,860	316,338
Net cash inflow/(outflow) from operating activities	6(a)	(1,518,765)	(1,045,144)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for tenements		(45,000)	-
Payments for purchase of plant, equipment and vehicles		(1,530)	(17,884)
Payment for intangibles	14	-	(18,473)
Proceeds from sale of tenements		38,995	-
Proceeds from sale of plant, equipment and vehicles		14,307	22,374
Placement of security deposits		(154,719)	(283,039)
Redemption of security deposits		266,200	100,503
Exploration and evaluation expenditure		(3,348,028)	(5,577,933)
Net cash inflow/(outflow) from investing activities		(3,229,775)	(5,774,452)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from issue of shares and options		3,469,147	1,110,000
Share issue costs		(58,691)	(105,830)
Net cash inflow from financing activities		3,410,456	1,004,170
Net increase/(decrease) in cash and cash equivalents held		(1,338,084)	(5,815,426)
Cash and cash equivalents at the beginning of the financial year		2,210,275	8,025,701
Cash and cash equivalents at the end of the financial year	6(b)	872,191	2,210,275

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013

1. CORPORATE INFORMATION

The consolidated financial statements of the Company comprise the Company and its subsidiaries (together referred to as the "Group") for the year ended 30 September 2013 was authorised for issue in accordance with a resolution of the directors on 4 December 2013. Thundelarra Limited is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange Ltd.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

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

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

Going Concern

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

The group recorded a loss of $4,955,592 for the year ended 30 September 2013. Total exploration expenditure recognised in the year is $3,394,862. The group had cash assets of $872,191 at 30 September 2013 and investments held for trading and available for sale valued at $319,383 at the reporting date.

Since June 2012 as a result of the continuation of depressed markets for the resources industry and in particularly the exploration sector, the directors have proactively sought ways to reduce the group's corporate overheads as part of an ongoing strategy to improve operational efficiencies. The various cost cutting measures that have been implemented included reducing the overall number of personnel and recognising the need to cut remuneration levels across the remaining staff from the Board and the Executive team down.

The directors also implemented as part of the overall strategy the review and rationalisation of projects and prospects through disposal of surplus non-core prospects and projects to significantly reduce tenement holding costs and annual exploration expenditure commitments. Since the end of last year's financial period, the group's annual exploration expenditure commitments have already been reduced by more than 70%.

The directors consider that the ongoing implementation of the above cost cutting measures, combined with additional funds from the sale of assets and the capacity to raise additional capital should be sufficient for the planned expenditure on the mineral projects for the ensuing 12 months as well as for the reduced corporate and administrative overhead costs. For these reasons, the directors believe the going concern basis of preparation is appropriate.

In the event that the Company is unsuccessful with the strategy and cannot raise any additional working capital, the Company may not be able to continue as going concern and may not realise its assets at their stated amounts. The directors are confident the above measures will be successful or further working capital could be raised if required.

(b) Statement of compliance

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the annual reporting period ended 30 September 2013 and are outlined below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Statement of compliance

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

(c) Application of New and Revised Accounting Standards

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 October 2012 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods. However, amendments made to AASB 101 *Presentation of Financial Statements effective* 1 July 2012 now require the statement of comprehensive income to show the items of comprehensive income grouped into those that are not permitted to be reclassified to profit or loss in a future period and those that may have to be reclassified if certain conditions are met.

(d) New Accounting Standards for Application in Future Periods

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

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', AASB 2010-7 'Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)', and AASB 2012-6 'Amendments to Australian Accounting Standards-Mandatory Effective date of AASB 9 and Transition Disclosures'	1 January 2015	30 Sept 2016
AASB 10 'Consolidated Financial Statements'	1 January 2013	30 Sept 2014
AASB 11 'Joint Arrangements'	1 January 2013	30 Sept 2014
AASB 12 'Disclosure of Interests in Other Entities'	1 January 2013	30 Sept 2014
AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'	1 January 2013	30 Sept 2014
AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119 (2011)'	1 January 2013	30 Sept 2014
AASB 127 'Separate Financial Statements (2011), AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards'	1 January 2013	30 Sept 2014
AASB 128 'Investments in Associates and Joint Ventures' (2011), AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards'	1 January 2013	30 Sept 2014
AASB 2011-4 'Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements'	1 July 2013	30 Sept 2014
AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards'	1 January 2013	30 Sept 2014

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) New Accounting Standards for Application in Future Periods (continued)

AASB 2012-2 'Amendments to Australian Accounting Standards-Disclosures-Offsetting Financial Assets and Liabilities' (Amendments to AASB 7)	1 January 2013	30 Sept 2014
AASB 2012-3 'Amendments to Australian Accounting Standards-Disclosures-Offsetting Financial Assets and Liabilities' (Amendments to AASB 132)	1 January 2014	30 Sept 2015
AASB 2012-5 'Amendments to Australian Accounting Standards arising from Annual Improvements cycle'	1 January 2013	30 Sept 2014
AASB 2012-6 'Amendments to Australian Accounting Standards-Mandatory Effective date of AASB 9 and Transition Disclosures'	1 January 2013	30 Sept 2014
Interpretation 20 'Stripping Costs in the Production Phase of a Surface Mine' and AASB 2011-12 'Amendments to Australian Accounting Standards arising from Interpretation 20'.	1 January 2013	30 Sept 2014

The Group has decided not to early adopt any of the new and amended pronouncements. Of the above new and amended Standards and Interpretations the Group's assessment of those new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below:

- AASB 9: Financial Instruments (December 2010) and AASB 2010-7 and AASB 2012-6: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010). These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

The key changes made to accounting requirements include:

(iv) simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;

(ii) simplifying the requirements for embedded derivatives;

(iii) removing the tainting rules associated with held-to-maturity assets;

(v) removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;

(vi) allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument

(vii) requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on:

(a) the objective of the entity's business model for managing the financial assets; and

(b) the characteristics of the contractual cash flows; and

(viii) requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

The Group has not yet been able to reasonably estimate the impact of these pronouncements on its financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) New Accounting Standards for Application in Future Periods (continued)

- AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127: Separate Financial Statements (August 2011), AASB 128: Investments in Associates and Joint Ventures (August 2011) and AASB 2011-7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (applicable for annual reporting periods commencing on or after 1 January 2013).

  AASB 10 replaces parts of AASB 127: Consolidated and Separate Financial Statements (March 2008, as amended) and Interpretation 112: Consolidation - Special Purpose Entities. AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees. The Group has not yet been able to reasonably estimate the impact of this Standard on its financial statements.

  AASB 11 replaces AASB 131: Interests in Joint Ventures (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either "joint operations" (whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or 'joint ventures" (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). Joint ventures are required to adopt the equity method of accounting (proportionate consolidation is no longer allowed).

  AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a "structured entity", replacing the 'special purpose entity" concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities. This Standard will only affect disclosures and is not expected to significantly impact the Group.

  To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. These Standards are not expected to significantly impact the Group.

- AASB 13: Fair Value Measurement and AASB 2011-8: Amendments to Australian Accounting Standards arising from AASB 13 (applicable for annual reporting periods commencing on or after 1 January 2013).

  AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurements.

  AASB 13 requires:

  (i) inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and

  (ii) enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) measured at fair value.

  These Standards are not expected to significantly impact the Group.

- AASB 2011-4: Amendments to Australian Accounting Standards to remove the individual ley management Personnel Disclosure Requirements ((applicable for annual reporting periods commencing on or after 1 January 2013).

  This standard makes amendments to AASB 124; Related Party Disclosures to remove the individual key management personnel disclosure requirements (including paras Aus 29.1 to Aus 29.9.3). These amendments serve a number of purposes, including furthering the trans-Tasman conversion, removing differences from IFRSs, and avoiding any potential confusion with the equivalent Corporations Act 2001 disclosure requirements.

  This standard is not expected to significantly impact the Group’s financial report as a whole.

  AASB 119 (September 2011) includes changes to the accounting for termination benefits.

  This standard is not expected to significantly impact the Group’s financial report as a whole.

  AASB 2012-2 ‘Amendments to Australian Accounting Standards-Disclosures-Offsetting Financial Assets and Liabilities’ (Amendments to AASB 7); AASB 2012-3 ‘Amendments to Australian Accounting Standards-Disclosures-Offsetting Financial Assets and Liabilities’ (Amendments to AASB 132); AASB 2012-5 ‘Amendments to Australian Accounting Standards arising from Annual Improvements cycle’; AASB 2012-6 ‘Amendments to Australian Accounting Standards-Mandatory Effective date of AASB 9 and Transition Disclosures’; and Interpretation 20 ‘Stripping Costs in the Production Phase of a Surface Mine’ and AASB 2011-12 ‘Amendments to Australian Accounting Standards arising from Interpretation 20’.

  These standards are not expected to impact the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Principles of Consolidation

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

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

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

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

(f) Business Combinations

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

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

The acquisition may result in the recognition of goodwill or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquiree.
The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer.

Fair value uplifts in the value of pre-existing equity holdings are taken to the Statement of Profit or Loss and Other Comprehensive Income. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Significant accounting estimates and assumptions

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

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

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

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

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

Mine rehabilitation provision
The consolidated entity assesses its mine rehabilitation provision annually. Significant estimates and assumptions are made in determining the provision for mine rehabilitation as there are numerous factors that will affect the ultimate liability payable. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases, and changes in discount rates. Those uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision at balance date represents management's best estimate of the present value of the future rehabilitation costs required. Changes to estimated future costs are recognised in the statement of financial position by adjusting the rehabilitation asset and liability. If, for mature mines, the revised mine assets net of rehabilitation provisions exceeds the carrying value, that portion of the increase is charged directly to expense. For closed sites, changes to estimated costs are recognised immediately in the income statement.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Deferred taxation

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

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

(i) Revenue recognition

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

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

(j) Cash and cash equivalents

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

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

(k) Trade and other receivables

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

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

(l) Inventory

(i) Raw materials and stores, work in progress and finished goods
Inventories are valued at the lower of cost and net realisable value.

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Income tax

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

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

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

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

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

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

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit not taxable profit or loss, or

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

(n) Other taxes

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

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

- receivables and payables, which are stated with the amount of GST included.

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Plant and equipment

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

For the years ending 30 September 2013 and 2012 the Group chose not to carry forward the value of exploration expenditure and fully provided for the carrying value of all exploration properties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

(ii) Mine development expenditure

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

(iii) Mine Properties

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

(q) Trade and other payables

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

(r) Provisions

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

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

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

(s) Employee leave benefits

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

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

(ii) Long service leave

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Earnings per share

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

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

(u) Contributed equity

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

(v) Borrowing costs

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

(w) Leases

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

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

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

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

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

(x) Impairment of assets

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(x) Impairment of assets (continued)

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

(y) Interests in joint ventures

The Group has interests in joint ventures that are jointly controlled operations.

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

(z) Investments

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

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

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

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

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(aa) Share-based payment transactions

(i) Equity settled transactions:

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

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

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

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

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

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

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

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

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

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

(ab) Comparatives

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(ac) Goodwill

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

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

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

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

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

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

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

3 SEGMENT INFORMATION

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013

		Consolidated 2013 $	Consolidated 2012 $
4.	**REVENUE AND EXPENSES**		
(a)	**Revenue**		
	Interest income from non related parties	107,145	297,525
(b)	**Other Revenue**		
	Net gain on disposal of joint venture interests (4(f))	-	1,963,503
	Net gain on disposal of tenement (4(g))	101,990	-
	Other income	258,498	348,513
		360,488	2,312,016
	Total Revenues	467,633	2,609,541
(c)	**Employee Benefits Expenses**		
	Share based payments expense	(73,774)	(120,223)
(d)	**Exploration Expenditure Written Off**		
	Exploration expenditure written-off or impaired	(3,394,862)	(4,872,635)

Included in exploration expenditure written off, are legal costs incurred by the Company relating to its claim that the Company had earned its 60% interest in the Red Bore mining lease (M52/597) as referred to note 12(a).

		2013 $	2012 $
(e)	**Other Expenses**		
	Administrative costs	(33,140)	(35,268)
	Office and miscellaneous	(680,801)	(846,197)
	Professional fees	(186,820)	(237,088)
	Regulatory and trust company fees	(69,377)	(55,358)
	Shareholder and investor relations	(29,745)	(86,975)
	Employee expenses	(805,677)	(1,132,575)
	Finance costs	-	(42)
	Decrease in market value of investments	(121,373)	(316,807)
	Loss on disposal of property, plant and equipment	(28,643)	(2,656)
	Other operating expenses	(16,440)	(132,382)
		(1,972,016)	(2,845,348)
(f)	**Net Gain on Disposal of Joint Venture Interests**		
	Disposal of joint venture interests	139,549	2,112,837
	Carrying amounts of joint venture interests diluted	(139,549)	(65,351)
	Loss on dilution of participating interest	-	(83,983)
	Net gain on disposal	-	1,963,503
(g)	**Net Gain on Disposal of Tenement**		
	Proceeds from disposal of tenement	113,995	-
	Carrying amounts of tenement sold	(12,005)	-
	Net gain on disposal	101,990	-

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013

	Consolidated 2013 $	Consolidated 2012 $
5. INCOME TAX		
(a) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit/(Loss) from ordinary activities before income tax expense	(5,095,197)	(5,463,943)
Prima facie tax benefit on loss from ordinary activities at 30% (2012 – 30%)	(1,528,560)	(1,639,183)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Entertainment and other	902	546
Share based payments	22,132	36,067
	(1,505,526)	(1,602,570)
Movement in current year temporary differences	(14,922)	(809,533)
Tax effect of current year tax losses & non-recognition of previously recognised deferred tax assets	1,520,448	2,412,103
Tax effect of prior year research and development refund	(139,605)	(725,703)
Income tax expense/(benefit)	(139,605)	(725,703)
(b) Unrecognised temporary differences Deferred Tax Assets (30%)		
Impairment and depreciation of assets in joint venture	861,598	914,880
Prepayments	4,508	9,922
Investments	311,164	274,753
Capital raising, formation and legal costs	55,574	72,165
Provisions for expenses	103,980	155,546
Carry forward revenue losses	8,930,714	7,410,266
Carry forward foreign losses	13,586	13,586
	10, 281,124	8,851,118
Deferred Tax Liabilities (30%)		
Unearned revenue	1,387	5,201
	1,387	5,201
Net Deferred Tax Asset (Liability)	10,279,737	8,845,917

The potential future income tax benefit arising from accumulated tax losses in the Group including the Group's share of assets in the Copernicus Joint Venture have not been recognised in 2013 as an asset because recovery of tax losses is not probable.

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

(a) the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit of the deductions for the loss to be realised;
(b) the Group continues to comply with the conditions for deductibility imposed by income tax law; and
(c) no changes in income tax legislation adversely affects the Group in realising the benefit of the deduction for the loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013

			Consolidated	
			2013 $	2012 $
6.	**CASH FLOW INFORMATION**			
	(a)	**Reconciliation of net cash provided by operating activities to operating profit/(loss) after income tax**		
		Operating profit/(loss) after income tax	(4,955,592)	(4,738,870)
		Non cash flows in operating loss		
		Exploration costs written-off or provided	3,394,862	4,872,635
		Amortisation and depreciation	122,178	235,278
		Share based payments	73,774	120,223
		Net (Increase)/ decrease in fair value of investments	121,373	316,807
		(Profit)/Loss on sale of plant, equipment and vehicles	28,643	2,406
		(Profit)/Loss on sale of joint venture interests	-	(1,985,082)
		(Profit)/Loss on sale of tenements	(101,990)	-
		Change in assets and liabilities		
		(Decrease)/increase in trade creditors and accruals	(40,110)	12,644
		(Increase)/decrease in receivables	(85,891)	325,539
		(Increase)/decrease in rehabilitation asset	113,876	-
		(Decrease)/increase in provisions	(189,888)	(206,724)
		Net cash outflow from operating activities	(1,518,765)	(1,045,144)
	(b)	**Cash and cash equivalents represents:**		
		Cash in bank and on hand	699,410	699,866
		Deposits at call	172,781	1,510,409
			872,191	2,210,275
	(c)	**Non Cash Investing Activities**		
		Acquisition of tenements and rights by issue of shares	44,880	-
		Disposal of tenements for shares	75,000	-
			119,880	-
7.	**EARNINGS PER SHARE**			
	(a)	Basic earnings/(loss) per share (cents per share)	(2.16)	(2.96)
	(b)	Diluted earnings/(loss) per share (cents per share)	(2.16)	(2.96)

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013

	Consolidated 2013 $	Consolidated 2012 $
7. EARNINGS PER SHARE (continued)		
(c) Net profit/(loss) attributable to ordinary shareholders	(4,955,592)	(4,738,870)
(d) Weighted average number of ordinary shares outstanding during the year used in the calculation:		
- basic earnings per share	229,291,537	159,899,965
- diluted earnings per share	229,291,537	159,899,965

8. TRADE AND OTHER RECEIVABLES (CURRENT)

	2013 $	2012 $
Other receivables	177,069	78,463
Accrued income	4,623	17,338
	181,692	95,801

The amounts receivable from directors and director related entities are $1,960 (2012: $2,718). They are unsecured interest free and have no fixed terms of repayment.

TRADE AND OTHER RECEIVABLES (NON CURRENT)

	2013 $	2012 $
Security deposits/bonds	899,304	1,010,785
Receivables from joint venture partners	-	-
	899,304	1,010,785

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

9. OTHER FINANCIAL ASSETS (CURRENT)

		2013 $	2012 $
Listed shares held for trading at fair value			
Royal Resources Limited	(i)	178,081	244,143
Royal Resources Limited – Options	(ii)	2,052	16,413
Aldershot Resources Limited	(iii)	17,500	51,450
Bulletin Resources Limited	(iv)	11,500	39,500
Newera Resources Limited	(v)	5,250	14,250
Resources Star Limited	(vi)	105,000	-
		319,383	365,756

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

At 30 September 2013 the Company holds the following quoted securities:

(i) 2,872,265 (2012 – 2,872,265) fully paid ordinary shares in Royal Resources Limited.
(ii) 410,323 (2012 – 410,323) options in Royal Resources Limited.
(iii) 3,500,000 (2012 – 3,500,000) fully paid ordinary shares in Aldershot Resources Ltd, a Canadian company listed on the TSX Venture Exchange.
(iv) 500,000 (2012 –500,000) fully paid ordinary shares in Bulletin Resources Limited.
(v) 750,000 (2012 – 750,000) fully paid ordinary shares in Newera Resources Limited.
(vi) 5,000,000 (2012 – Nil) fully paid ordinary shares in Resource Star Limited.

At as at the 4 December 2013, the total market value of the quoted investments based on closing prices at that date was $215,863.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013

	Consolidated 2013 $	Consolidated 2012 $
10. PROPERTY, PLANT AND EQUIPMENT		
Leasehold Improvements, at cost	263,149	263,149
Less: accumulated depreciation	(263,149)	(242,455)
	-	20,694
Plant and equipment, at cost	336,687	345,193
Less: accumulated depreciation	(229,052)	(209,510)
Less: impairment loss	(19,585)	(19,585)
	88,050	116,098
Office equipment, at cost	230,941	290,557
Less: accumulated depreciation	(205,333)	(250,082)
Less: impairment loss	(2,572)	(2,572)
	23,036	37,903
Motor vehicles, at cost	321,435	365,117
Less: accumulated depreciation	(247,685)	(235,195)
Less: impairment loss	-	-
	73,750	129,922
Plant and equipment (NT), at cost	73,709	77,540
Less: accumulated depreciation	(33,906)	(29,029)
Less: impairment loss	-	-
	39,803	48,511
Haul road, at cost	1,019,800	1,019,800
Less: accumulated depreciation	(26,345)	(26,345)
Less: impairment loss	(993,455)	(993,455)
	-	-
Construction in progress	178,899	178,351
Less: impairment loss	(178,899)	(178,351)
	-	-
Total property, plant and equipment	224,639	353,128

Reconciliations

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

	2013 $	2012 $
Leasehold Improvements		
Carrying amount at 1 October 2012	20,694	33,124
Additions	-	-
Disposals	(15,526)	-
Depreciation	(5,168)	(12,430)
Impairment	-	-
Carrying amount at 30 September 2013	-	20,694

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013

	Consolidated 2013 $	Consolidated 2012 $
10. PROPERTY, PLANT AND EQUIPMENT (continued)		
Reconciliations (continued)		
Plant and equipment		
Carrying amount at 1 October 2012	116,098	152,447
Additions	1,530	5,552
Disposals	(1,469)	-
Depreciation	(28,109)	(41,901)
Impairment	-	-
Carrying amount at 30 September 2013	88,050	116,098
Office equipment		
Carrying amount at 1 October 2012	37,903	53,698
Additions	-	2,726
Disposals	(2,998)	(522)
Depreciation	(11,869)	(17,999)
Impairment	-	-
Carrying amount at 30 September 2013	23,036	37,903
Motor vehicles		
Carrying amount at 1 October 2012	129,922	198,871
Additions	-	9,606
Disposals	(21,846)	(22,457)
Depreciation	(34,326)	(56,098)
Impairment	-	-
Carrying amount at 30 September 2013	73,750	129,922
Plant and equipment (NT)		
Carrying amount at 1 October 2012	48,511	62,132
Additions	-	-
Disposals	(1,112)	(1,801)
Depreciation	(7,596)	(11,820)
Carrying amount at 30 September 2013	39,803	48,511
Total carrying amount at 30 September 2013	224,639	353,128

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013

11. PARENT ENTITY DISCLOSURES

	2013 $	2012 $
STATEMENT OF FINANCIAL POSITION		
ASSETS		
CURRENT ASSETS	1,334,378	2,610,570
NON-CURRENT ASSETS	881,768	1,240,101
TOTAL ASSETS	2,216,146	3,850,670
LIABILITIES		
CURRENT LIABILITIES	583,405	722,493
NON-CURRENT LIABILITIES	121,764	221,130
TOTAL LIABILITIES	705,169	943,623
NET ASSETS	1,510,977	2,907,047
EQUITY		
Contributed equity	44,010,178	40,554,842
Reserves	7,350,522	7,276,748
Accumulated losses	(49,849,723)	(44,924,543)
TOTAL EQUITY	1,510,977	2,907,047
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
Net profit/ (loss) from continuing operations for the year	(4,925,180)	(4,784,188)
Total Comprehensive income/(loss) for the year	(4,925,180)	(4,784,188)
OTHER FINANCIAL ASSETS (NON-CURRENT)		
Investment in Subsidiary		
Element 92 Pty Ltd	3,661,200	3,661,200
Provision for write down of investment	(3,661,200)	(3,661,200)
	-	-
Investment in Subsidiary		
Trilogy Metals Limited	1	1
Provision for write down of investment	(1)	(1)
	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013

	Consolidated 2013 $	Consolidated 2012 $
12. EXPLORATION, EVALUATION AND DEVELOPMENT EXPENDITURE (NON-CURRENT)		
(a) Exploration and evaluation		
At 1 October 2012	-	-
Expenditure incurred during the year	3,394,862	4,872,635
Expenditure provided or written off during the year (note 4(d))	(3,394,862)	(4,872,635)
At 30 September 2013	-	-
(b) Mine properties and development		
At 1 October 2012	174,402	317,241
Expenditure incurred during the year	-	-
Expenditure provided or written off during the year	(113,875)	(142,839)
At 30 September 2013	60,527	174,402

Included in exploration expenditure written off, are legal costs incurred by the Company relating to its claim that the Company had earned its 60% interest in the Red Bore mining lease (M52/597).

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

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

	Consolidated 2013 $	Consolidated 2012 $
13 DEFERRED TAX ASSET (NON-CURRENT)		
Deferred tax asset (Note 5)	-	-
14. INTANGIBLE ASSET		
Software and Licences		
At 1 October 2012	36,680	113,234
Additions	-	18,473
Disposals	-	-
Less: amortisation	(35,110)	(95,027)
At 30 September 2013	1,570	36,680
15. TRADE AND OTHER PAYABLES (CURRENT)		
Trade payables and accruals	424,284	348,360
Payables to joint venture partner and related entities	-	139,548
Amounts owing to director related entities	-	7,525
	424,284	495,435

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013

	Consolidated 2013 $	Consolidated 2012 $
16. PROVISONS (CURRENT)		
Employee entitlements	189,843	280,365
Number of employees at year end	9	16
PROVISIONS (NON-CURRENT)		
Employee entitlements	22,214	15,930
Provision for rehabilitation	99,550	205,200
	121,764	221,130

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

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

	Consolidated 2013 $	Consolidated 2012 $
17. DEFERRED TAX LIABILITY (NON-CURRENT)		
Deferred tax liability (Note 5)	-	-

18. CONTRIBUTED EQUITY AND RESERVES

	Number of Shares 2013	Number of Shares 2012	Consolidated 2013 $	Consolidated 2012 $
(a) Issued and paid up capital				
Ordinary shares	255,647,680	178,028,927	44,010,178	40,554,842

(b) Movement in ordinary shares on issue

		Number of Shares	Issue Price $	Total $
1/10/12	**Opening balance**	154,828,927		39,550,673
13/07/12	Placement	22,200,000	0.05	1,110,000
13/07/12	Underwriting fee	1,000,000	0.05	50,000
	Share issue cost			(155,831)
	Balance at 30 September 2012	178,028,927		40,554,842
19/10/12	Rights Issue	44,149,401	0.05	2,207,470
30/10/12	Rights Issue - shortfall	600,100	0.05	30,005
19/11/12	Rights Issue - shortfall	6,800,000	0.05	340,000
6/12/12	Rights Issue - shortfall	1,500,000	0.05	75,000
8/01/13	Rights Issue - shortfall	200,000	0.05	10,000
27/03/13	Exercise of quoted options	3,355	0.20	671
15/04/13	Acquisition of tenement	660,000	0.068	44,880
13/09/13	Share purchase plan	23,705,897	0.034	806,001
	Share issue costs			(58,691)
	Balance at 30 September 2013	255,647,680		44,010,178

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013

18. CONTRIBUTED EQUITY AND RESERVES (continued)

(c) Movement in options on issue (continued)

The following table summarises the movement in options on issue for the year ended 30 September 2013

30 September 2013	Balance at the Beginning of the Year	Issued During the Year	Exercised During the Year	Expired During the Year	Balance at the End of the Year
Quoted options exercisable at 20 cents each on or before 29 March 2013	6,778,130	-	(3,355)	(6,774,775)	-
Unquoted options exercisable at 50 cents each on or before 28 February 2013	4,250,000	-	-	(4,250,000)	-
Unquoted options exercisable at 20 cents each on or before 28 February 2014	4,250,000	-	-	-	4,250,000
Unquoted options exercisable at 64 cents each on or before 25 February 2015	6,750,000	-	-	-	6,750,000
Unquoted options exercisable at 96 cents each on or before 20 September 2013	660,000	-	-	(660,000)	-
Unquoted options exercisable at 84 cents each on or before 27 February 2016	6,750,000	-	-	-	6,750,000
Unquoted options exercisable at 39 cents each on or before 30 June 2014	725,000	-	-	-	725,000
Unquoted options exercisable at 25 cents each on or before 16 April 2014	1,000,000	-	-	-	1,000,000
Unquoted options exercisable at 23 cents each on or before 28 February 2017	2,000,000	-	-	-	2,000,000
Unquoted options exercisable at 45 cents each on or before 16 April 2015	1,000,000	-	-	-	1,000,000
Unquoted options exercisable at 9 cents each on or before 31 October 2015	-	2,350,000	-	-	2,350,000
Total	34,163,130	2,350,000	(3,355)	(11,684,775)	24,825,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013

18. CONTRIBUTED EQUITY AND RESERVES (continued)

(c) Movement in options on issue (continued)

The following table summarises the movement in options on issue for the year ended 30 September 2012

30 September 2012	Balance at the Beginning of the Year	Issued During the Year	Exercised During the Year	Expired During the Year	Balance at the End of the Year
Quoted options exercisable at 20 cents each on or before 29 March 2013	6,778,130	-	-		6,778,130
Unquoted options exercisable at 47 cents each on or before 31 December 2011	350,000	-	-	(350,000)	-
Unquoted options exercisable at 50 cents each on or before 28 February 2013	4,250,000	-	-	-	4,250,000
Unquoted options exercisable at 52 cents each on or before 30 June 2012	260,000	-	-	(260,000)	-
Unquoted options exercisable at 20 cents each on or before 28 February 2014	4,250,000	-	-	-	4,250,000
Unquoted options exercisable at 32 cents each on or before 30 September 2012	280,000	-	-	(280,000)	-
Unquoted options exercisable at 64 cents each on or before 25 February 2015	6,750,000	-	-	-	6,750,000
Unquoted options exercisable at 96 cents each on or before 20 September 2013	1,610,000	-	-	(950,000)	660,000
Unquoted options exercisable at 84 cents each on or before 27 February 2016	6,750,000	-	-	-	6,750,000
Unquoted options exercisable at 39 cents each on or before 30 June 2014	1,620,000	-	-	(895,000)	725,000
Unquoted options exercisable at 25 cents each on or before 16 April 2014	-	1,000,000	-	-	1,000,000
Unquoted options exercisable at 23 cents each on or before 28 February 2017	-	2,000,000	-	-	2,000,000
Unquoted options exercisable at 45 cents each on or before 16 April 2015	-	1,000,000	-	-	1,000,000
Total	32,898,130	4,000,000	-	(2,735,000)	34,163,130

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013

18. CONTRIBUTED EQUITY AND RESERVES (continued)	Consolidated 2013 $	Consolidated 2012 $
(d) Reserves		
General reserve	-	-
Share-based payments reserve	7,350,522	7,276,748
	7,350,522	7,276,748
Share based payments reserve		
Balance at beginning of year	7,276,748	7,156,525
Share based payments	73,774	120,223
Balance at end of year	7,350,522	7,276,748

Nature and purpose of reserves

General reserve

This reserve records fair value changes on available for sale financial assets. There were no available for sale financial assets as at 30 September 2013.

Share based payments reserve

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

19. ACCUMULATED LOSSES	Consolidated 2013 $	Consolidated 2012 $
Balance at the beginning of the year	(44,581,693)	(39,842,823)
Net profit/(loss) attributable to members of Thundelarra Exploration Ltd	(4,955,592)	(4,738,870)
Balance at the end of the financial year	(49,537,285)	(44,581,693)

20. COMMITMENTS AND CONTINGENCIES	Consolidated 2013 $	Consolidated 2012 $
(i) Exploration commitments		
Within one year	920,929	3,203,923
Later than one year but not later than five years	917,525	4,054,004
Later than five years	340,601	1,120,524
	2,179,055	8,378,451

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

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

(ii) Operating lease commitments

Operating lease commitments are as follows:-

	2013 $	2012 $
Office rental		
Within one year	101,525	206,390
Later than one year but not later than five years	78,101	-
Later than five years	-	-
	179,626	206,390

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013

20. COMMITMENTS AND CONTINGENCIES (continued)

(ii) Operating lease commitments (continued)

The Group has entered into a commercial property lease on its corporate office premises. The non-cancellable lease expires 1 July 2015. The lease includes a clause to enable an upward revision of rental charge on an annual basis of a fixed percentage increase.

(iii) Bank Guarantees

At 30 September 2013 the Group has outstanding $100,000 (2012: $175,031) as a current guarantee provided by the bank for corporate office lease.

(iv) Native Title

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

21. DIRECTORS AND EXECUTIVES DISCLOSURE

(a) Details of Key Management Personnel

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

Philip G Crabb	Non-Executive Chairman	
Frank DeMarte	Executive Director	
John D Hopkins	Non-Executive Director	(Resigned 30 April 2013)
Malcolm R J Randall	Non-Executive Director	
Antony L Lofthouse	Chief Executive Officer	

(b) Compensation of Key Management Personnel – by category

	Consolidated 2013 $	Consolidated 2012 $
Short term	661,764	933,028
Post employment	62,370	120,475
Share based payments	21,133	120,223
Long term	(19,007)	(46,093)
	726,260	1,127,633

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

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

30 September 2013	Balance 1 October 2012	Granted as Remuneration	On Exercise of Options	Net Change Other	Balance 30 September 2013 or Date of resignation
P G Crabb	22,600,157	-	-	10,741,176	33,341,333
F DeMarte	2,879,442	-	-	1,009,974	3,889,416
M R J Randall	437,500	-	-	571,691	1,009,191
J D Hopkins (1)	100,000	-	-	-	100,000
A L Lofthouse	300,000	-	-	2,682,352	2,982,352
Total	26,317,099	-	-	15,055,193	41,322,292

(1) J D Hopkins resigned on 30/04/2013.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013

21. DIRECTORS AND EXECUTIVES DISCLOSURE (continued)

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

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

30 September 2012	Balance 1 October 2011	Granted as Remuneration	On Exercise of Options	Net Change Other	Balance 30 September 2012
B T Lambert [(1)]	713,949	-	-	86,134	800,083
B D Richardson [(3)]	645,727	-	-	-	645,727
F DeMarte	2,779,442	-	-	100,000	2,879,442
M R J Randall	437,500	-	-	-	437,500
J D Hopkins	100,000	-	-	-	100,000
P G Crabb [(2)]	22,177,839	-	-	422,318	22,600,157
A L Lofthouse [(4)]	-	-	-	300,000	300,000
Total	26,854,457	-	-	908,452	27,762,909

Notes: (1) B T Lambert resigned on 2/05/2012. (2) P G Crabb appointed on 7/03/2012. (3) B D Richardson resigned on 29/06/2012 and (4) A L Lofthouse appointed CEO on 2/04/2012.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013

21. DIRECTORS AND EXECUTIVES DISCLOSURE (continued)

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

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

							Vested at 30 September 2013		
30 September 2013	**Balance at beginning of period 1 October 2012**	**Granted as Remuneration**	**Options Exercised**	**Options Expired**	**Net Change Other**	**Balance at end of period 30 September 2013**	**Total**	**Exercisable**	**Not Exercisable**
F DeMarte	5,830,397	-	-	(1,330,397)	-	4,500,000	4,500,000	4,500,000	-
M R J Randall	3,029,167	-	-	(529,167)	-	2,500,000	2,500,000	2,500,000	-
J D Hopkins (1)	500,000	-	-	-	-	500,000	500,000	500,000	-
P G Crabb	3,758,205	-	-	(1,008,205)	-	2,750,000	2,750,000	2,750,000	-
A L Lofthouse	2,000,000	-	-	-	-	2,000,000	1,000,000	1,000,000	1,000,000
Total	15,117,769	-	-	(2,867,769)	-	12,250,000	11,250,000	11,250,000	1,000,000

(1) J D Hopkins resigned on 30/04/2013.

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

(1) B T Lambert resigned on 2/05/2012. (2) P G Crabb appointed on 7/03/2012. (3) B D Richardson resigned on 29/06/2012 and (4) A L Lofthouse appointed on 2/04/2012.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013

21. DIRECTORS AND EXECUTIVES DISCLOSURE

(e) Share Based Compensation Options

During the financial year no options were granted as equity compensation benefits to key management personnel. The options issued in 2012 were issued at no consideration. Each option entitles the holder to subscribe for one fully paid ordinary share in the equity at the exercise price. No options have been granted since the end of the year to key management personnel. For further details relating to options, refer to note 22.

Compensation Options: Granted and vested during the year ended 30 September 2013.

	Vested	Granted	Terms and Conditions for each Grant					
30 September 2013	Number	Number	Grant Date	Fair Value per option ($) (Note 22)	Exercise Price per option ($) (Note 22)	Expiry Date	First Exercise Date	Last Exercise Date
P G Crabb	-	-	-	-	-	-	-	-
F DeMarte	-	-	-	-	-	-	-	-
M R J Randall	-	-	-	-	-	-	-	-
J D Hopkins	-	-	-	-	-	-	-	-
A L Lofthouse	1,000,000	-	16/04/12	$0.0208	$0.25	16/04/14	16/04/13	16/04/14
Total	1,000,000	-						

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013

22. SHARE BASED PAYMENTS

(a) Type of share based payment plan

Employee Share Option Plan

Options are granted under the Company Employee Share Option Plan (ESOP) which was approved by the shareholders on 28 February 2013. The ESOP is available to any person who is a director, or an employee (whether full-time or part-time) of the Company or of an associated body corporate of the Company ("Eligible Person").

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

(i) No consideration is payable by an Eligible Person for a grant of an option, unless the Board decides otherwise.
(ii) The method of calculation of the exercise price of each option will be determined by the Board with regard to the market value of the shares when it resolves to offer the option.
(iii) Exercisable period will be determined by the Board prior to the offer of the relevant options, subject to any restriction in the Corporations Act from time to time but in any event no longer than 5 years from the issue date.
(iv) The Board may impose exercise conditions on any issue as it thinks appropriate.

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

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

(b) Summary of options granted

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

	Number 2013	WAEP 2013 $	Number 2012	WAEP 2012 $
Outstanding at the beginning of the year	27,385,000	0.55	26,120,000	0.59
Granted during the year	2,350,000	0.09	4,000,000	0.29
Lapsed during the year	(4,910,000)	0.56	(2,735,000)	0.60
Exercised during the year	-	-	-	-
Outstanding at the end of the year	24,825,000	0.50	27,385,000	0.55
Exercisable at the end of the year	23,825,000	0.51	25,385,000	0.56

The outstanding balance as at 30 September 2013 is represented by:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013

22. SHARE BASED PAYMENTS (continued)

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

(c) Weighted average remaining contractual life
The weighted average remaining contractual life for the share options outstanding as at 30 September 2013 is 2.27 years (2012 –2.65 years).

(d) Range of exercise price
The range of exercise prices for options outstanding at the end of the year was $0.09 to $0.84 (2012 - $0.20 to $0.96).

(e) Weighted average fair value
The weighted average fair value of options granted during the year was $0.02 (2012 - $0.04)

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

The following table lists the inputs to the model used for the year ended 30 September 2013.

Number of Options	2,350,000
Option exercise price (cents)	9 cents
Expiry date	31/10/2015
Expected life of the option (years)	3 years
Vesting period (months)	Nil
Dividend yield (%)	Nil
Expected volatility (%)	124.1%
Risk-free interest rate (%)	2.69%
Discount for unquoted security	30%
Closing share price at grant date (cents)	5 cents
Vesting date	-

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013

	Consolidated 2013 $	Consolidated 2012 $
23. REMUNERATION OF AUDITORS		
The auditor of Thundelarra Exploration Ltd is Stantons International for:		
• An audit or review of the financial report of the consolidated entity	42,727	47,951

24. RELATED PARTY DISCLOSURES

(a) Directors

Fees received in the normal course of business in 2013 for office rental, administrative and employees services totalling $138,950 (2012 - $172,027) were received from companies of which P G Crabb, F DeMarte and M R J Randall are directors and shareholders.

Fees paid in the normal course of business in 2013 for employees services totalling $70,677 (2012 - $Nil) were paid from companies of which P G Crabb, F DeMarte and M R J Randall are directors and shareholders.

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

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

(c) Subsidiaries

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

Transactions between the Parent and its wholly owned controlled entities during the year ended 30 September 2013 consists of loans advanced by the Parent totalling $1,711,173 (2012: $211,912). The loans outstanding at 30 September 2013 total $15,608,277 (2012: $13,897,104). The loans provided are unsecured, interest free and have no fixed term of repayment. There were no repayments made during the year.

25. CONTROLLED ENTITIES

		Percentage Interest Held		Carrying amount of Parent Entity's Investment	
Name	**Country of Incorporation**	**2013 %**	**2012 %**	**2013 $**	**2012 $**
Element 92 Pty Ltd	Australia	100	100	-	-
Trilogy Metals Limited	Australia	100	100	-	-

26. INTEREST IN JOINT VENTURES

The Company has interests in several joint ventures as follows:

(a) Joint venture details

Copernicus Joint Venture

The Copernicus Joint Venture is involved with the exploration, evaluation, development and production of mineral deposits in the Kimberley region of Western Australia. The unincorporated joint venture is between Panoramic Resources Limited 78.01% and Thundelarra Limited 21.99% (2012 – 21.99%), with Panoramic Resources Limited as manager and operator.

At 30 September 2013 the Copernicus project was on care and maintenance.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013

26. INTEREST IN JOINT VENTURES (continued)

	Consolidated 2013 $	Consolidated 2012 $
CURRENT ASSETS		
Cash and cash equivalents	20,142	26,169
TOTAL CURRENT ASSETS	20,142	26,169
NON-CURRENT ASSETS		
Trade and other receivables	109,291	105,984
Property, plant and equipment	1,194,511	1,193,963
Exploration expenditure	43,995	43,077
Mine development	1,673,567	1,673,567
Rehabilitation	60,527	174,403
TOTAL NON-CURRENT ASSETS	3,081,891	3,190,994
TOTAL ASSETS	3,102,033	3,217,163
CURRENT LIABILITIES		
Trade and other payables	4,544	1,717
TOTAL CURRENT LIABILITIES	4,544	1,717
NON-CURRENT LIABILITIES		
Provisions	99,550	205,200
TOTAL NON-CURRENT LIABILITIES	99,550	205,200
TOTAL LIABILITIES	104,094	206,917
NET ASSETS	2,997,939	3,010,246

The Consolidated Entity also has a number of other interests in joint ventures to explore for uranium and other minerals. The Consolidated Entity's share of expenditure in respect of these exploration and evaluation activities is either expensed or capitalised depending on the stage of development and no revenue is generated. At 30 September 2013 all capitalised costs were written off.

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

Joint Venture	Principal Activities	Percentage Interest 2013	Percentage Interest 2012	Expenditure Capitalised 2013 $	Expenditure Capitalised 2012 $
Copernicus JV	Base metals	21.99%	21.99%	-	-
East Kimberley JV	Base metals	37.15%	37.15%	-	
Great Gold Mines JV	Base metals	80%	80%	-	-
Breakaway JV	Base metals	20%	20%	-	-
Lewis JV	Base metals	80%	80%	-	-
Voermans JV	Base metals	80%	80%	-	-
Richmond JV (1)	Base metals	-	-	-	-

Note (1) The Company's 60% interest in the Red Bore mining lease (52/597) was registered by the Department of Mines and Petroleum on 11 November 2013.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013

27. FINANCIAL INSTRUMENTS

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

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

	Floating Interest Rate		Fixed Interest Rate – 1 year or less		Non-interest bearing		Total	
Consolidated	**2013 $**	**2012 $**	**2013 $**	**2012 $**	**2013 $**	**2012 $**	**2013 $**	**2012 $**
Financial Assets								
Cash and cash equivalents	699,410	699,866	172,781	1,510,409	-	-	872,191	2,210,275
Trade and other receivables	-	-	899,304	1,010,785	181,692	95,801	1,080,996	1,106,586
Other financial assets	-	-	-	-	319,383	365,756	319,383	365,756
Total Financial Assets	699,410	699,866	1,072,085	2,521,194	501,075	461,557	2,272,570	3,682,617
Financial Liabilities								
Trade and other payables	-	-	-	-	(424,284)	(495,435)	(424,284)	(495,435)
Total Financial Liabilities	-	-	-	-	(424,284)	(495,435)	(424,284)	(495,435)
Net Financial Assets/(Liabilities)	699,410	699,866	1,072,085	2,521,194	76,791	(33,878)	1,848,286	3,187,182
Weighted Average Interest Rate	1.75%	1.06%	3.94%	4.94%				

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013

27. FINANCIAL INSTRUMENTS (continued)

Reconciliation of net financial assets/ (liabilities) to net assets	Consolidated 2013 $	2012 $
Net Financial Assets/(Liabilities) as above	1,848,286	3,187,182
Property, plant and equipment	224,639	353,128
Exploration & evaluation expenditure	-	-
Mine development	60,527	174,402
Intangibles	1,570	36,680
Provisions	(311,607)	(501,495)
Net Assets per Statement of Financial Position	1,823,415	3,249,897

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

(a) ***Interest Rate Risk***

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

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

(b) ***Credit Risk***

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

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

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

(c) ***Net Fair Value of Financial Assets and Liabilities***

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

(d) ***Liquidity Risk***

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

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

(e) ***Foreign Exchange Risk***

The Group at present does not have any exposure to foreign exchange risk, because the Group did not make any sales or purchases in a currency other than the entity's functional currency. At 30 September 2013 the Group did not have any assets or liabilities denominated in a foreign currency.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013

27. FINANCIAL INSTRUMENTS (continued)

(f) ***Commodity Price Risk***

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

The Group's profit and loss and statement of financial position can be affected significantly by movements in nickel prices on the LME. The Group will need to mitigate the effect of its nickel price exposure by seeking appropriate derivative instruments once the open pit mining operations are re-commenced at Copernicus in the future. However at 30 September 2013, the Group does not have any financial instruments subject to commodity price risk As the Copernicus Joint Venture is on care and maintenance.

28. SENSITIVITY ANALYSIS

(a) Fair Value Risk

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

Based on fair values at 30 September 2013, a 10% change in fair values will have the following impact on loss before tax and equity before tax.

	Consolidated	
	2013 $	**2012 $**
Loss before tax:		
Available for sale financial assets	-	-
Held for trading financial assets	31,938	36,576
Equity:		
Available for sale financial assets	-	-
Held for trading financial assets	31,938	36,576

(b) Interest Rate Risk

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

Consolidated 30 September 2013	Carrying Amount $	Interest Rate Risk -1%		Interest Rate Risk + 1%	
		Net loss $	**Equity $**	**Net loss $**	**Equity $**
Financial Assets					
Cash and cash equivalents	872,191	(8,722)	(8,722)	8,722	8,722
Other receivables interest bearing	899,304	(8,993)	(8,993)	8,993	8,993
Totals	1,771,495	(17,715)	(17,715)	17,715	17,715

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013

28. SENSITIVITY ANALYSIS (continued)

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

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

(c) Foreign Currency Risk

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

29. EVENTS AFTER THE BALANCE SHEET DATE

Since the end of the financial year, the Directors are not aware of matter or circumstance not otherwise dealt with in this report or the financial statements, that has significantly or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in subsequent years with the exception of the following, the financial effects of which have not been provided for in the 30 September 2013 financial report:

Thundelarra Wins Red Bore Court Case
The decision handed down in the Supreme Court Of Western Australia by the Hon Justice Edelman confirmed that the Company had satisfied the requirements to earn a 60% interest in the Red Bore mining lease (52/597) pursuant to an agreement with Mr Bill Richmond. Mr Richmond was also ordered by the Court to pay the Company's costs of the Court action. The Company's 60% interest in the Red Bore mining lease was registered by the Department of Mines and Petroleum on 11 November 2013.

Sale of Hayes Creek Uranium Interests
Thundelarra sold its uranium interests in around the Hayes Creek area in the Northern Territory. The consideration for the disposal is a mixture of cash and shares for an aggregate value of approximately $1.55 million of which the initial cash component is $650,000. The share component will crystallise within the next two years as and when the purchaser lists on the ASX or other recognised stock exchange.

30. CONTINGENT LIABILITIES

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

DIRECTORS' DECLARATION

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

In the opinion of the directors:

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

   (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 September 2013 and of its performance for the year ended on that date; and

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

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

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

This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 September 2013.

On behalf of the Board

FRANK DEMARTE
Executive Director

Perth, Western Australia

4 December 2013

INDEPENDENT AUDIT REPORT TO THE MEMBERS

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

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
THUNDELARRA LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Thundelarra Limited, which comprises the consolidated statement of financial position as at 30 September 2013, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the Financial Report

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

Auditor's responsibility

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

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

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

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

INDEPENDENT AUDIT REPORT TO THE MEMBERS

Stantons International

Independence

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

Auditor's Opinion

In our opinion:

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

- (i) giving a true and fair view of the consolidated entity's financial position as at 30 September 2013 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

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

Inherent Uncertainty Regarding Going Concern

Without qualification to the audit opinion expressed above, attention is drawn to the following matters:

As referred to in note 2 to the financial statements, the financial statements have been prepared on a going concern basis. At 30 September 2013 the consolidated entity had cash and cash equivalents of $872,191 and a net working capital of $759,139. The entity had incurred a net loss for the year ended 30 September 2013 of $4,955,592.

The ability of the Group to continue as a going concern and meet its planned exploration, administration, and other commitments is dependent upon the Group raising further working capital, and/or successfully exploiting its mineral assets. In the event that the consolidated entity cannot raise further equity, the entity may not be able to meet their liabilities as they fall due and the realisable value of the entity's non-current assets may be significantly less than book values.

Report on the Remuneration Report

We have audited the remuneration report included in pages 11 to 18 of the directors' report for the year ended 30 September 2013. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards

Opinion

In our opinion the remuneration report of Thundelarra Limited for the year ended 30 September 2013 complies with section 300A of the *Corporations Act 2001*.

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

Stantons International Audit and Consulting Pty Ltd

John P Van Dieren
Director

West Perth, Western Australia
4 December 2013

AUDITOR'S INDEPENDENCE DECLARATION

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

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4 December 2013

Board of Directors
Thundelarra Limited
Suite 8
186 Hampden Road
NEDLANDS, WA 6009

Dear Directors

RE: THUNDELARRA LIMITED

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

As Audit Director for the audit of the financial statements of Thundelarra Limited for the year ended 30 September 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

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

Yours sincerely

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

J P Van Dieren

Director

ASX ADDITIONAL INFORMATION

The following information dated 14 January 2014 is required by the Listing Rules of the ASX Limited.

1. DISTRIBUTION AND NUMBER OF HOLDER OF EQUITY SECURITIES

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

	Fully paid ordinary shares
1 – 1,000	323
1,001 – 5,000	628
5,001 – 10,000	526
10,001 – 100,000	1089
100,001 and over	354
Totals	2,920
Holding less than a marketable parcel	1,620

2. TWENTY LARGEST HOLDERS OF QUOTED SECURITIES

(a) Ordinary shares

	Holder	Shares Held Number	%
1	Ragged Range Mining Pty Ltd & Associates	33,341,333	13.04
2	Mr Siat Yoon Chin	14,216,176	5.56
3	Troca Enterprises Pty Ltd <Coulson Super A/C>	7,943,620	3.11
4	Norilsk Nickel Australia Pty Ltd	7,800,000	3.05
5	Chin Nominees Pty Ltd <Chin Nominees No. 2 S/F A/C>	7,125,000	2.79
6	Chin Nominees Pty Ltd <Chin Nominees No. 2 S/F A/C>	6,987,761	2.73
7	Grandor Pty Ltd <Mark Scott Family P/F A/C>	4,233,288	1.66
8	Custodial Services Limited <Beneficiaries Holding A/C>	2,818,645	1.10
9	Ms Sigrid Gibson	2,600,000	1.02
10	Norvest Projects Pty Ltd	2,541,176	0.99
11	Mr Frank DeMarte	2,254,257	0.88
12	Panoramic Resources Limited	2,150,000	0.84
13	Mr Philip Gerrard Berry	2,126,908	0.83
14	Mr David Dawson	2,000,000	0.78
15	Gemini Holdings Pty Ltd <The DeMarte Family A/C>	1,651,625	0.65
16	Paddockmist Pty Ltd <Superannuation Fund A/C>	1,650,750	0.65
17	MDM Woon Hee Chin	1,578,824	0.62
18	Porites Pty Ltd <A L Lofthouse Private SF A/C>	1,541,176	0.60
19	Porites Pty Ltd <Lofthouse Investment A/C>	1,441,176	0.56
20	Madisons Pty Ltd <Brown Retirement Fund A/C>	1,331,176	0.52
	Total	107,042,169	41.98

3. SUBSTANTIAL SHAREHOLDERS

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

Name	Number of Shares Held	%
Ragged Range Mining Pty Ltd & Associates	33,341,333	13.04
Mr Siat Yoon Chin	14,216,176	5.56

ASX ADDITIONAL INFORMATION

4. VOTING RIGHTS

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

(a) Ordinary Shares

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

(b) Options

The Company's options have no voting rights.

5. STOCK EXCHANGE LISTING

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

6. RESTRICTED SECURITIES

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

7. SCHEDULE OF TENEMENTS

Tenement Number and Type	Tenement Name	Holder/Applicant	Interest (%)	Status
EAST KIMBERLEY				
E80/2878	Frank Hill	THX	100	Granted 13/12/2004
E80/3673	Sophie Downs	THX	100	Granted 05/02/2007
E80/4225	Nine Mile	THX	100	Granted 25/03/2010
M80/540	Copernicus	THX/SMY	21.99/78.01	Granted 08/01/2008

EAST KIMBERLEY – PANORAMIC JV				
E80/4225	Nine Mile	THX	33/67	Granted 25/03/2010
E80/4482	Highway	THX/ PIN	24/63	Granted 24/07/2013
E80/4484	7 Mile	THX/ PIN	24/63	Granted 25/07/2011
E80/2748	East Kimberley JV	THX/PIN	24/63	Granted 15/01/2003
E80/4765	East Kimberley JV	THX/PIN	24/63	Application 11/02/2013
E80/4834	East Kimberley JV	THX/PIN	20/80	Application 08/10/2013
PEAK HILL				
E52/1890	Yilbrinna Pool	CULLEN	100[1]	Granted 05/01/2009
E52/1892	Kallenia	CULLEN	100[1]	Granted 05/01/2009
DOOLGNNA				
E52/2402	Curara Well	THX	100	Granted 11/06/2010
M52/597	Red Bore	THX/WRR	60/40	Granted 06/11/2009

ASX ADDITIONAL INFORMATION

7. SCHEDULE OF TENEMENTS (CONTINUED)

Tenement Number and Type	Tenement Name	Holder/Applicant	Interest (%)	Status
NGALIA				
EL24561	Mt Wedge	E92	100	Granted 22/06/2009
EL24879	Alara North	HUME, SRK	25/75[3]	Granted 15/08/2006
EL24927	Alara South	HUME	100[3]	Application 12/09/2005
EL24928	Alara West	HUME, SRK	25/75[3]	Granted 21/08/2006
EL24929	Alara East	HUME, SRK	25/75[3]	Granted 21/08/2006
EL25283	Walbiri Range	E92	100	Granted 22/06/2009
EL25334	Jabangardi Hill	E92	100	Granted 22/06/2009
EL28186	Moonlight	E92	100	Granted 02/02/2011
EL28398	Black Hill	E92	100	Application 8/11/2010
EL28625	Bloodwood	E92	100	Granted 26/10/2011
EL28697	Saltbush	E92	100	Granted 05/12/2011
EL28971	EL28971	E92	100	Application 24/08/2011
PINE CREEK				
EL10043	Brumby Gap	EW, JE, RD	10/80/10[2]	Granted 05/09/2002
EL10120	Yam CK	E92, CGA (transfer pending)	100	Granted 15/08/2002
EL10167	Frances Creek	EW, JE, RD	10/80/10[2]	Granted 05/09/2002
EL23506	McKeddies	MDT, GRO, GAC	33.3/33.4/ 33.3[2]	Granted 08/05/2003
EL23509	Corkscrew	E92, CGA (transfer pending)	100	Granted 27/02/2003
EL24549	Allamber 1	E92	100	Granted 23/09/2005
EL25120	Kulbac	E92, CGA (transfer pending)	100	Granted 19/09/2006
EL25379	Dowling	E92, CGA (transfer pending)	100	Granted 21/02/2007
EL25553	Hayes Creek	E92, CGA (transfer pending)	100	Granted 26/07/2007
EL25868	Mary River	E92	100	Granted 27/09/2007
EL27363	Jigsaw	E92, CGA (transfer pending)	100	Granted 12/01/2010
EL27365	Mt Saunders	E92	100	Granted 12/01/2010
EL27648	Mary River 2	E92	100	Granted 29/04/2010
EL27649	Allamber North	E92	100	Granted 29/04/2010
EL28857	Second Chance	E92	100	Granted 24/02/2013
EL29260	EL29260	E92	100	Granted 31/07/2012
EL29523	Mt McLachlan	E92	100	Granted 10/05/2013
EL29809	EL29809	E92	100	Application 13/12/2012
HLDN86	Water Lane	E92	100	Granted 25/05/1982
MC27285	Yam Creek 1	E92	100	Granted 13/07/2011
MC27286	Yam Creek 2	E92	100	Granted 13/07/2011
MC27287	Yam Creek 3	E92	100	Granted 13/07/2011
HLDN86	Water Leane	E92	100	Granted 25/05/1982

ASX ADDITIONAL INFORMATION

7. SCHEDULE OF TENEMENTS (CONTINUED)

Tenement Number and Type	Tenement Name	Holder/Applicant	Interest (%)	Status
PINE CREEK Cont.				
MCN632	MC632	DD	100[2]	Granted 31/08/1983
MCN633	MC633	DD	100[2]	Granted 31/08/1983
MCN4902	MCN4902	E92, CGA (transfer pending)	80/20	Granted 08/10/1996
MCN4903	MCN4903	E92, CGA (transfer pending)	80/20	Granted 08/10/1996
MCN4904	MCN4904	E92, CGA (transfer pending)	80/20	Granted 08/10/1996
MCN4905	MCN4905	E92, CGA (transfer pending)	80/20	Granted 08/10/1996
MCN4907	MCN4907	E92, CGA (transfer pending)	80/20	Granted 03/08/1995
MCN5193	MCNA5193	E92, CGA (transfer pending)	80/20	Granted 08/07/2004
MCN5194	MCNA5194	E92, CGA (transfer pending)	80/20	Granted 26/05/2004
MCN5195	MCNA5195	E92, CGA (transfer pending)	80/20	Granted 26/06/2008
MCN5196	MCNA5196	E92, CGA (transfer pending)	80/20	Granted 08/07/2004
MCN5197	MCNA5197	E92, CGA (transfer pending)	80/20	Granted 26/06/2008
MCN5198	MCNA5198	E92, CGA (transfer pending)	80/20	Granted 26/06/2008
MCN5199	MCNA5199	E92, CGA (transfer pending)	80/20	Granted 26/06/2008
MCN5200	MCNA5200	E92, CGA (transfer pending)	80/20	Granted 26/06/2008
MLN1028	ML1028	DD	100[2]	Application 25/11/1986
Crocodile Gold JV- Element 92 sold its 70% uranium interests to Oz Uranium Pty Ltd on 243 tenements held by Crocodile Gold pursuant to a Mining Asset Sale Agreement which is subject to shareholder approval.				

Notes

1 THX earning 19%

2 THX option to acquire 100%

3 THX earning 70%

ASX ADDITIONAL INFORMATION

Key to Tenement Type:

E/EL	=	Exploration License
M	=	Granted Mining Lease

Key to Parties:

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