THUNDELARRA

ABN 74 950 465 654

FINANCIAL REPORT 2014

DIRECTORS

Philip G Crabb
Non-Executive Chairman

Frank DeMarte
Executive Director

Malcolm R J Randall
Non-Executive Director

CHIEF EXECUTIVE OFFICER
Antony Lofthouse

SECRETARY
Frank DeMarte

REGISTERED OFFICE AND BUSINESS ADDRESS

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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 40, Central Park
152-158 St Georges Terrace
PERTH WA 6000

Telephone: 1300 850 505
Facsimile: +618 9323 2033

STOCK EXCHANGE

Australian Securities Exchange Limited
Home Branch Perth

Level 40, Central Park
152-158 St Georges Terrace
PERTH WA 6000

ASX CODE

THX

CONTENTS

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.

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2014

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 recommendation.

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 2013/2014 financial year (**Reporting Period**). The information in this statement is current at 30 November 2014.

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.

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 8.

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2014

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 5) 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 Board comprises of:

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.

During the reporting period, the sole independent director of the Company was Malcolm Randall. Mr Randall is considered independent because he is a non-executive director who is not a member of management and who is 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 his 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 does not have an independent chair. Philip Crabb is 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 a director or 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.

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2014

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. The full Board holds separate meetings in its capacity as a Nomination Committee 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 did not convene as a Nomination Committee during the Reporting Period, however nomination related matters were discussed at Board meetings when required.

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.

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

The Board has established an Audit Committee comprising of Mr Randall (Chair) and Mr Crabb. The Audit Committee is not structured in accordance with Recommendation 4.2 as it comprises of only two members, and does not comprise a majority of independent directors.

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 held during the Reporting Period is set out in a table in the Directors' Report on page 19.

Details of each of the director's qualifications are set out in the Directors' Report on page 8. 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.

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2014

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)

For the period 1 October 2013 to 24 July 2014, the full Board performed the role of Remuneration Committee. The Board believed that given its composition, no efficiencies or other benefits would be gained by establishing a separate Remuneration Committee. However, recognising the benefits of having a Remuneration Committee that does not include any executive directors, the Board established a Remuneration Committee on 25 July 2014 comprising Mr Randall (Chair) and Mr Crabb, the Board's two non-executive directors. The Remuneration Committee is not structured in accordance with Recommendation 8.2 as it comprises only two members and does not comprise a majority of independent directors. However, the Board considers that it is appropriate that the committee be comprised of the Board's two non-executive directors.

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 19.

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

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 10. 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 Securities Trading Policy (which is disclosed on the Company's website) 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.

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.

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FOR THE YEAR ENDED 30 SEPTEMBER 2014

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 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 8 (12%)
Senior Executive positions (excluding executive directors)	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.

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2014

SHAREHOLDER COMMUNICATION
(Recommendations: 6.1, 6.2)

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

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

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

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

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

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

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

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

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

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

The categories of risk reported on as part of the Company's systems and processes for managing material business risks include: liquidity risk, operational risk, environmental risk, 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 2014.

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 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 $2,250,146 (2013 – loss $4,955,592).

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.

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, the financial effects of which have not been provided for in the 30 September 2014 financial statements:

Land Use Deed – Mary River East

In November 2014, pursuant to a Land Use Deed – Mary River East the Company issued 434,782 ordinary shares at a deemed issue price of $0.092 per share in consideration of the landowner providing exploration services as requested by the Company from time to time in relation to the Allamber tenements located in the Northern Territory.

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

DIRECTORS' REPORT

INFORMATION ON DIRECTORS

PHILIP G CRABB *FAusIMM, MAICD, Non-Executive Chairman*

Experience and Expertise
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 45 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 was re-appointed a director on 7 March 2012.

Other current Directorships
Aldershot Resources Limited (since 2010)

Former Directorships in last three years
Royal Resources Limited from 2005 to 2014.

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

MALCOLM R J RANDALL *B.Applied Chem, FAICD, Non-Executive Director*

Experience and Expertise
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 was appointed a director on 8 September 2003.

Other current Directorships
Royal Resources Limited (since 2006)
Summit Resources Limited (since 2007)
Matilda Zircon Ltd (since 2009)

Former Directorships in last three years
Iron Ore Holdings Ltd from 2003 to 2014.

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

FRANK DEMARTE *BBus, FGIA, FAICD Executive Director*

Experience and Expertise
Mr DeMarte has over 30 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 was appointed a director on 30 April 2001.

Other current Directorships
Royal Resources Limited (since 2004)

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

DIRECTORS' REPORT

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	49,047,215	2,000,000
Malcolm R J Randall	1,009,191	3,500,000
Frank DeMarte	3,889,416	8,500,000

COMPANY SECRETARY

FRANK DEMARTE *BBus, FGIA, FAICD*

The Company Secretary is Mr Frank DeMarte. Mr DeMarte has over 30 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 29,780,000 unissued ordinary shares of the Company under option as follows:

Date options granted	Expiry date	Exercise price of options	Number of options
26 February 2010	25 February 2015	$0.64	6,750,000
28 February 2011	27 February 2016	$0.84	6,750,000
7 March 2012	28 February 2017	$0.23	2,000,000
16 April 2012	16 April 2015	$0.45	1,000,000
7 November 2012	31 October 2015	$0.09	1,280,000
28 February 2014	28 February 2019	$0.06	11,500,000
18 March 2014	18 March 2017	$0.06	500,000

SHARES ISSUED AS A RESULT OF THE EXERCISE OF OPTIONS

During the financial year;

(1) 1,070,000 options exercisable at $0.09 were exercised;
(2) 1,750,000 options exercisable at $0.06 were exercised;
(3) 4,250,000 options exercisable at $0.20 expired on 29 February 2014;
(4) 1,000,000 options exercisable at $0.25 expired on 16 April 2014; and
(5) 725,000 options exercisable at $0.39 expired on 30 June 2014.

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

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

This Remuneration Report details the nature and amount of remuneration for each of the 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
Malcolm R J Randall	Non-Executive Director
Antony L Lofthouse	Chief Executive Officer

(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 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.

DIRECTORS‘ REPORT

REMUNERATION Report (Audited) (continued)

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

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

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

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 and the Company’s financial position during the year the non-executive director voluntarily agreed to reduce his 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.

Following an annual review of the remuneration for non-executive directors in July 2014, It was resolved to increase the Chairman’s fee to $62,000 per annum exclusive of any superannuation effective from 1 July 2014 and to increase the non–executive directors fee to $49,000 per annum exclusive of any superannuation effective from 1 July 2014.

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 2014 is detailed as per the disclosures on page 13.

(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.

Due to the deteriorating markets conditions during the year and the Company’s financial position the Chief Executive Officer voluntarily agreed to reduce his base salary from $270,000 per annum to $150,000 per annum effective from 1 August 2013. The Company Secretary and Chief Financial Officer also voluntarily agreed to reduce his base salary from $237,000 per annum to $150,000 per annum effective from 1 August 2013.

Following an annual review of the remuneration for the executives in July 2014, It was resolved to increase the Chief Executive remuneration to $250,000 per annum exclusive of any superannuation effective from 1 July 2014 and to increase the Company Secretary and Chief Financial Officer to $200,000 per annum exclusive of any superannuation effective from 1 July 2014.

DIRECTORS' REPORT

REMUNERATION Report (Audited) (continued)

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 14.

(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 2014

		Short-Term			Post Employment	Other Long Term	Share Based Payment	Total $	% Remuneration
Names		**Salary & Directors Fees**	**Annual Leave Movement**	**Other (1)**	**Superannuation**	**Long Service Leave**	**Equity Options**		**Consisting of Options for the Year**
Executive Director									
Frank DeMarte	**2014**	**162,500**	**22,146**	**7,466**	**15,156**	**9,774**	**76,538**	**293,580**	**26%**
	2013	223,015	(32,621)	3,912	20,183	(19,007)	-	195,482	-
Non-Executive Directors									
Malcolm R J Randall	**2014**	**28,000**	**-**	**-**	**2,621**	**-**	**22,962**	**53,583**	**43%**
	2013	48,862	-	-	4,416	-	-	53,278	-
Philip G Crabb	**2014**	**31,846**	**-**	**3,105**	**2,985**	-	**22,962**	**60,898**	**38%**
	2013	46,443	-	-	4,192	-	-	50,635	-
John d Hopkins (2)	**2014**	**-**	**-**	**-**	**-**	-	**-**	**-**	**-**
	2013	28,938	-	-	2,570	-	-	31,508	-
Executive									
Antony L Lofthouse	**2014**	**175,000**	**16,760**	**9,648**	**16,344**	-	**81,881**	**299,633**	**27%**
	2013	343,228	(5,370)	5,357	31,009	-	21,133	395,357	5%
Totals	**2014**	**397,346**	**38,906**	**20,219**	**37,106**	**9,774**	**204,343**	**707,694**	**29%**
	2013	690,486	(37,991)	9,269	62,370	(19,007)	21,133	726,260	3%

Notes: (1) In respect to other, the amounts relate to car parking and life insurance benefits for the year.
Notes: (2) John D Hopkins resigned on 30 April 2013.

DIRECTORS‘ REPORT

REMUNERATION REPORT (AUDITED) (continued)

(c) Employment Agreements for Key Management Personnel

Name	Base salary	Terms of Engagement	Notice Period
F DeMarte (1)	$200,000	No fixed term	Twelve months
A L Lofthouse (2)	$250,000	No fixed term	Six months

(1) Base salary of $150,000 effective 1 August 2013. Following a review in July 2014, the base salary was increased to $200,000 per annum effective 1 July 2014, reviewed annually. Payment of a benefit on early termination by the Company, other than gross misconduct, equal to 12 months base salary including superannuation, subject to the termination benefit provisions in Pt 2D.2 – Division 2 of the Corporations Act 2001.

(2) Base salary of $150,000 effective 1 August 2013. Following a review in July 2014, the base salary was increased to $250,000 per annum effective 1 July 2014, reviewed annually. Payment of a benefit on early termination by the Company, other than gross misconduct, equal to 6 months base salary including superannuation and entitlements.

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

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

30 September 2014	Balance 1 October 2013	Granted as Remuneration	On Exercise of Options	Net Change Other	Balance 30 September 2014
P G Crabb	33,341,333	-	1,500,000	14,205,882	49,047,215
F DeMarte	3,889,416	-	-	-	3,889,416
M R J Randall	1,009,191	-	-	-	1,009,191
A L Lofthouse	2,982,352	-	-	58,824	3,041,176
Total	41,222,292	-	1,500,000	14,264,706	56,986,998

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.

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.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (continued)

(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 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.

Compensation Options: Granted and vested during the year ended 30 September 2014.

30 September 2014	Terms and Conditions for each Grant							
Key Management Personnel	Number Vested	Number Granted	Grant Date	Fair Value per option at Grant Date ($) (Note 21)	Exercise Price per option ($) (Note 21)	Expiry Date	First Exercise Date	Last Exercise Date
P G Crabb	1,500,000	1,500,000	28/02/14	$0.0153	$0.06	28/02/19	28/02/14	28/02/19
F DeMarte	5,000,000	5,000,000	28/02/14	$0.0153	$0.06	28/02/19	28/02/14	28/02/19
M R J Randall	1,500,000	1,500,000	28/02/14	$0.0153	$0.06	28/02/19	28/02/14	28/02/19
A L Lofthouse	5,000,000	5,000,000	28/02/14	$0.0153	$0.06	28/02/19	28/02/14	28/02/19
	1,000,000	1,000,000	16/04/12	$0.0197	$0.45	16/04/15	16/04/14	16/04/15
Total	14,000,000	14,000,000						

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	1,000,000	16/04/12	$0.0208	$0.25	16/04/14	16/04/13	16/04/14
Total	1,000,000	1,000,000						

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

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (continued)

(f) Shares Issued on exercise of compensation options

1,500,000 shares were issued to a director on exercise of compensation options for the year ended 30 September 2014. No other key management personnel exercised compensation options during the year ended 30 September 2014.

(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 2014.

30 September 2014	Value of options granted during the year	Value of options exercised during the year	Value of options lapsed during the year	% Remuneration Consisting of Options for the year
P G Crabb	22,962	187,500	-	38%
F DeMarte	76,538	-	-	26%
M R J Randall	22,962	-	-	43%
A L Lofthouse	76,538	-	-	27%
Total	199,000	187,500	-	29%

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

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
P G Crabb	-	-	-	-
F DeMarte	-	-	-	-
M R J Randall	-	-	-	-
J D Hopkins (1)	-	-	-	-
A L Lofthouse	-	-	-	-
Total	-	-	-	-

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

No shares were issued to directors on exercise of compensation options for the years ended 30 September 2013.

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					
P G Crabb	1,000,000	26/02/10	$0.64	$0.205	2015
	1,000,000	28/02/11	$0.84	$0.208	2016
	1,500,000	28/02/14	$0.06	$0.0153	2019
F DeMarte	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
	5,000,000	28/02/14	$0.06	$0.0153	2019
Non-Executive Directors					
M R J Randall	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
	1,500,000	28/02/14	$0.06	$0.0153	2019
Chief Executive Officer					
A L Lofthouse	1,000,000	16/04/12	$0.45	$0.0197	2015
	5,000,000	28/02/14	$0.06	$0.0153	2019

(i) Loans to key management personnel

There were no loans made to key management personnel during the year ended 30 September 2014.

(j) Other transactions with key management personnel and their related parties

During the year the Company agreed, subject to shareholder approval, to issue 14,705,882 ordinary shares at an issue price of $0.034 per share to P G Crabb's nominee to raise $500,000 for working capital purposes. The Company had been actively seeking other funding alternatives with non-related parties on the same terms in a very difficult market for small exploration companies in the resource sector without success. Shareholder approval for the placement was granted on 28 February 2014 at the Annual General meeting.

DIRECTORS' REPORT

(k) Option holdings 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 2014		
30 September 2014	Balance at beginning of period 1 October 2013	Granted as Remuneration	Options Exercised	Options Expired	Net Change Other	Balance at end of period 30 September 2014	Total	Exercisable	Not Exercisable
F DeMarte	4,500,000	5,000,000	-	(1,000,000)	-	8,500,000	8,500,000	8,500,000	-
M R J Randall	2,500,000	1,500,000	-	(500,000)	-	3,500,000	3,500,000	3,500,000	-
P G Crabb	2,750,000	1,500,000	(1,500,000)	(750,000)	-	2,000,000	2,000,000	2,000,000	-
A L Lofthouse	2,000,000	5,000,000	-	(1,000,000)	-	6,000,000	6,000,000	6,000,000	-
Total	11,750,000	13,000,000	(1,500,000)	(3,250,000)	-	20,000,000	20,000,000	20,000,000	-

							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.

DIRECTORS' REPORT

DIRECTORS' MEETINGS

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

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

Note 1: F DeMarte, who is the Company's Chief Financial Officer, attends Committee meetings by invitation only.

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)
P G Crabb	P G Crabb	F DeMarte
		P G Crabb

Note: (C) Designates the Chairman of the Committee.

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 2014 has been received and can be found on page 62.

Signed in accordance with a resolution of the directors.

FRANK DEMARTE
Executive Director

Perth, Western Australia
11 December 2014

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2014

	Notes	Consolidated 2014 $	Consolidated 2013 $
REVENUE FROM CONTINUING OPERATIONS			
Revenue	4(a)	70,012	107,145
Other income	4(b)	1,444,481	360,488
		1,514,493	467,633
EXPENDITURE			
Amortisation and depreciation		(59,200)	(122,178)
Employee benefits expense	4(c)	(215,218)	(73,774)
Exploration expenditure written off or impaired	4(d)	(2,295,504)	(3,394,862)
Administration expenses	4(e)	(1,194,717)	(1,972,016))
Profit/(Loss) from continuing operations before income tax expense		**(2,250,146)**	**(5,095,197)**
Income tax (expense)/benefit	5	-	139,605
Net profit/(loss) from continuing operations for the year		**(2,250,146)**	**(4,955,592)**
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		**(2,250,146)**	**(4,955,592)**
Net Profit/(Loss) attributable to members of the parent entity		**(2,250,146)**	**(4,955,592)**
Comprehensive income/(loss) attributable to members of the parent entity		**(2,250,146)**	**(4,955,592)**
Profit/(loss) per share attributable to ordinary equity holders:			
Basic earnings/(loss) (cents per share)	7	(0.82)	(2.16)
Diluted earnings/(loss) (cents per share)	7	(0.82)	(2.16)

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 2014

	Notes	Consolidated 2014 $	Consolidated 2013 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6(b)	7,326,696	872,191
Trade and other receivables	8	60,700	181,692
Other financial assets	9	173,380	319,383
TOTAL CURRENT ASSETS		7,560,776	1,373,266
NON-CURRENT ASSETS			
Other receivables	8	457,272	899,304
Property, plant and equipment	10	206,734	224,639
Exploration expenditure	12(a)	-	-
Mine development	12(b)	-	60,527
Deferred tax asset	13	-	-
Intangible asset	14		1,570
TOTAL NON-CURRENT ASSETS		664,006	1,186,040
TOTAL ASSETS		8,224,782	2,559,306
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	15	226,590	424,284
Provisions	16	222,258	189,843
TOTAL CURRENT LIABILITIES		448,848	614,127
NON-CURRENT LIABILITIES			
Provisions	16	-	121,764
Deferred tax liability	17	-	-
TOTAL NON-CURRENT LIABILITIES		-	121,764
TOTAL LIABILITIES		448,848	735,891
NET ASSETS		7,775,934	1,823,415
EQUITY			
Contributed equity	18(a)	51,997,625	44,010,178
Reserves	18(d)	7,565,740	7,350,522
Accumulated losses	19	(51,787,431)	(49,537,285)
TOTAL EQUITY		7,775,934	1,823,415

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 2014

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

CONSOLIDATED	Notes	Contributed Equity $	Reserves $	Accumulated Losses $	Total $
Balance at 1 October 2013		44,010,178	7,350,522	(49,537,285)	1,823,415
Total comprehensive income for the year					
Profit/(Loss) for the year		-	-	(2,250,146)	(2,250,146)
Total comprehensive income/(loss) for the year		-	-	(2,250,146)	(2,250,146)
Transactions with owners recorded directly in equity:					
Cost of share based payments	18(d)	-	215,218	-	215,218
Shares issued during the year	18(b)	8,436,300	-	-	8,436,300
Transaction costs	18(b)	(448,853)	-	-	(448,853)
		7,987,447	215,218	-	8,202,665
Balance at 30 September 2014		51,997,625	7,565,740	(51,787,431)	7,775,934

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 2014

	Notes	Consolidated 2014 $	Consolidated 2013 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from government grant		-	-
Other revenue received		73,700	258,498
Payment to suppliers		(939,993)	(1,897,123)
Interest paid		-	-
Interest received		48,691	119,860
Net cash inflow/(outflow) from operating activities	6(a)	(817,602)	(1,518,765)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for tenements		(60,000)	(45,000)
Payments for purchase of plant, equipment and vehicles		(57,501)	(1,530)
Proceeds from sale of tenements		1,431,764	38,995
Proceeds from sale of plant, equipment and vehicles		23,333	14,307
Placement of security deposits		(21,329)	(154,719),
Redemption of security deposits		352,689	266,200
Exploration and evaluation expenditure		(2,257,297)	(3,348,028)
Net cash inflow/(outflow) from investing activities		(588,341)	(3,229,775)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from issue of shares and options		8,109,300	3,469,147
Share issue costs		(448,853)	(58,691)
Proceeds from borrowings		200,000	-
Net cash inflow from financing activities		7,860,447	3,410,456
Net increase/(decrease) in cash and cash equivalents held		6,454,505	(1,338,084)
Cash and cash equivalents at the beginning of the financial year		872,191	2,210,275
Cash and cash equivalents at the end of the financial year	6(b)	7,326,696	872,191

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

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 2014 was authorised for issue in accordance with a resolution of the directors on 3 December 2014. 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 $2,250,146 for the year ended 30 September 2014. Total exploration expenditure recognised in the year is $2,295,504. The group had cash assets of $7,326,696 at 30 September 2014 and investments held for trading and available for sale valued at $173,380 at the reporting date. The directors believe the going concern basis of preparation is appropriate.

(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 2014 and are outlined below.

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

(c) New accounting standards and interpretations adopted in 2013/2014 financial year

The Group has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 January 2013.

- AASB 10: *Consolidated Financial Statements;*
- AASB 11: *Joint Arrangements;*
- AASB 12: *Disclosure of Interests in Other Entities;*
- AASB 13: *Fair Value Measurement;*
- AASB 119: *Employee Benefits;*
- AASB 127: *Separate Financial Statements;*
- AASB 2012-2: *Amendments to Australian Accounting Standards-Disclosures-Offsetting Financial Assets and Liabilities (Amendments to AASB 7);*
- 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.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) New accounting standards and interpretations adopted in 2013/2014 financial year (continued)

AASB 10 'Consolidated Financial Statements' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards'

AASB 10 replaces the parts of AASB 127 'Consolidated and Separate Financial Statements' that deal with consolidated financial statements and provides a revised definition of "control" such that an investor controls an investee when:

(a) it has power over an investee;
(b) it is exposed, or has rights, to variable returns from its involvement with the investee; and
(c) has the ability to use its power to affect its returns.

All three of these criteria must be met for an investor to have control over an investee. This may result in an entity having to consolidate an investee that was not previously consolidated and/or deconsolidate an investee that was consolidated under the previous accounting pronouncements.

There have been no changes to the treatment of investees compared to prior year.

AASB 11 'Joint Arrangements' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards'

AASB 11 replaces AASB 131 'Interests in Joint Ventures. AASB 11 deals with how a joint arrangement of which two or more parties have joint control should be classified and accounted for. Under AASB 11, there are only two types of joint arrangements – joint operations and joint ventures. The classification of joint arrangements under AASB 11 is determined based on the rights and obligations of parties to the joint arrangements by considering the structure, the legal form of the arrangements, the contractual terms agreed by the parties to the arrangement, and, when relevant, other facts and circumstances.
Application of this standard has not impacted on the financial statements of the Group.

AASB 12 'Disclosure of Interests in Other Entities' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'

AASB 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of AASB 12 has resulted in more extensive disclosures in the consolidated financial statements.

AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'

The Group has applied AASB 13 for the first time in the current year. AASB 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The scope of AASB 13 is broad; the fair value measurement requirements of AASB 13 apply to both financial instrument items and non-financial instrument items for which other AASBs require or permit fair value measurements and disclosures about fair value measurements, except for share based payment transactions that are within the scope of AASB 2 'Share-based Payment', leasing transactions that are within the scope of AASB 117 'Leases', and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) New accounting standards and interpretations adopted in 2013/2014 financial year (continued)

AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119 (2011)'

AASB 119 (as revised in 2011) changes the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of AASB 119 and accelerate the recognition of past service costs.

All actuarial gains and losses are recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus.

Application is AASB 119 Employee Benefits has not impacted on the financial statements for the year ended 30 June 2014.

(d) Fair value of assets and liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Fair value of assets and liabilities (continued)

Valuation techniques

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability, The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2
Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3
Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

(i) if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or

(ii) if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations issued by the AASB which are not yet mandatorily applicable to the Group have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

- *AASB 9 Financial Instruments* and associated Amending Standards (applicable for annual reporting period commencing 1 January 2018)

  AASB 9 (2009) introduces new requirements for the classification and measurement of financial assets. Under AASB 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. The 2010 revisions introduce additional changes relating to financial liabilities.

  The Standard will be applicable retrospectively (subject to the comment on hedge accounting below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

  Key changes made to this standard that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items.

  Should the entity elect to change hedge policies in line with the new hedge accounting requirements of AASB 9, the application of such accounting would be largely prospective.

  Although the directors anticipate that the adoption of AASB 9 may have an impact on the Group's financial instruments, including hedging activity, it is impractical at this stage to provide a reasonable estimate of such impact.

- *Other standards not yet applicable*

These standards are not expected to have a material impact on the entity in the current or future reporting periods.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 1031 'Materiality' (2013)	1 January 2014	30 Sept 2015
AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'	1 January 2014	30 Sept 2015
AASB 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets'	1 January 2014	30 Sept 2015
AASB 2013-4 'Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014	30 Sept 2015
AASB 2013-5 'Amendments to Australian Accounting Standards – Investment Entities	1 January 2014	30 Sept 2015
AASB 2013-9 'Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments'	1 January 2014	30 Sept 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent Thundelarra Limited and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 24.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

(g) 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 (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) 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 21.

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 (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) 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.

(j) 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.

(k) 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.

(l) 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.

(m) 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 (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) 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.

(o) 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 (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) 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.

(q) 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 2014 and 2013 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 (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) 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.

(r) 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.

(s) 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.

(t) 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 (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) 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.

(v) 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.

(w) Borrowing costs

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

(x) 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.

(y) 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 (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(y) 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.

(z) Interests in joint arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a "joint venture" and accounted for using the equity method.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Group's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the consolidated financial statements.

Gains and losses resulting from sales to a joint operation are recognised to the extent of the other parties' interests. When the Group makes purchases from a joint operation, it does not recognise its share of the gains and losses from the joint arrangement until it resells those goods/assets to a third party.

Details of the Group's interests in joint arrangements are provided in Note 25.

(aa) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(aa) Investments (continued)

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.

(ab) 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 21.

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).

(ac) Comparatives

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(ad) 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 (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

			Consolidated 2014 $	Consolidated 2013 $
4.	**REVENUE AND EXPENSES**			
	(a)	**Revenue**		
		Interest income from non related parties	70,012	107,145
	(b)	**Other Revenue**		
		Net gain on disposal of joint venture interests (4(f))	1,365,223	-
		Net gain on disposal of tenement (4(g))	-	101,990
		Net gain on disposal of fixed assets (4(h))	5,558	-
		Other income	73,700	258,498
			1,444,481	360,488
		Total Revenues	1,514,493	467,633
	(c)	**Employee Benefits Expenses**		
		Share based payments expense	(215,218)	(73,774)
	(d)	**Exploration Expenditure Written Off**		
		Exploration expenditure written-off or impaired	(2,295,504)	(3,394,862)
		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).		
	(e)	**Other Expenses**		
		Administrative costs	(14,635)	(33,140)
		Office and miscellaneous	(225,872)	(680,801)
		Professional fees	(51,820)	(186,820)
		Regulatory fees	(73,430)	(69,377)
		Shareholder and investor relations	(119,305)	(29,745)
		Employee expenses	(543,439)	(805,677)
		Decrease in market value of investments	(143,951)	(121,373)
		Loss on disposal of property, plant and equipment	(2,052)	(28,643)
		Other operating expenses	(20,213)	(16,440)
			(1,194,717)	(1,972,016)
	(f)	**Net Gain on Disposal of Joint Venture Interests**		
		Disposal of joint venture interests	1,450,000	139,549
		Carrying amounts of joint venture interests sold	(84,777)	(139,549)
		Net gain on disposal	1,365,223	-
	(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
	(h)	**Net Gain on Disposal of Fixed Assets**		
		Proceeds from disposal of fixed assets	23,333	-
		Carrying amounts of fixed assets sold	(17,775)	-
		Net gain on disposal	5,558	-

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 (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

	Consolidated 2014 $	Consolidated 2013 $
5. INCOME TAX		
(a) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit/(Loss) from ordinary activities before income tax expense	(2,250,146)	(5,095,197)
Prima facie tax benefit on loss from ordinary activities at 30% (2013 – 30%)	(675,044)	(1,528,560)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Entertainment and other	2009	902
Share based payments	64,565	22,132
	(608,470)	(1,505,526)
Movement in current year temporary differences	(672,230)	(14,922)
Tax effect of current year tax losses & non-recognition of previously recognised deferred tax assets	1,280,700	1,520,448
Tax effect of prior year research and development refund	-	(139,605)
Income tax expense/(benefit)	-	(139,605)
(b) Unrecognised temporary differences Deferred Tax Assets (30%)		
Impairment and depreciation of assets in joint venture	1,915	861,598
Prepayments	8,191	4,508
Investments	354,966	311,164
Capital raising, formation and legal costs	138,773	55,574
Provisions for expenses	89,228	103,980
Carry forward revenue losses	10,211,414	8,930,714
Carry forward foreign losses	13,586	13,586
	10,818,073	10,281,124
Deferred Tax Liabilities (30%)		
Unearned revenue	8,099	1,387
	8,099	1,387
Net Deferred Tax Asset (Liability)	10,809,974	10,279,737

The potential future tax benefit arising from accumulated tax losses in the Group have not been recognized in 2014 as an asset because recovery of the 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 (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

			Consolidated 2014 $	Consolidated 2013 $
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	(2,250,146)	(4,955,592)
		Non cash flows in operating loss		
		Exploration costs written-off or provided	2,295,504	3,394,862
		Amortisation and depreciation	59,200	122,178
		Share based payments	215,218	73,774
		Net (Increase)/ decrease in fair value of investments	143,951	121,373
		(Profit)/Loss on sale of plant, equipment and vehicles	(5,558)	28,643
		(Profit)/Loss on sale of joint venture interests	(1,365,223)	-
		(Profit)/Loss on sale of investments	2,052	-
		(Profit)/Loss on sale of tenements	-	(101,990)
		Change in assets and liabilities		
		(Decrease)/increase in trade creditors and accruals	(46,891)	(40,110)
		(Increase)/decrease in receivables	120,992	(85,891)
		(Increase)/decrease in rehabilitation asset	-	113,876
		(Decrease)/increase in provisions	13,299	(189,888)
		Net cash outflow from operating activities	(817,602)	(1,518,765)
	(b)	**Cash and cash equivalents represents:**		
		Cash in bank and on hand	826,696	699,410
		Deposits at call	6,500,000	172,781
			7,326,696	872,191
	(c)	**Non Cash Investing Activities**		
		Acquisition of tenements and rights by issue of shares	127,000	44,880
		Disposal of tenements for shares	-	75,000
			127,000	119,880
7.	**EARNINGS PER SHARE**			
	(a)	Basic earnings/(loss) per share (cents per share)	(0.82)	(2.16)
	(b)	Diluted earnings/(loss) per share (cents per share)	(0.82)	(2.16)

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 (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

		Consolidated 2014 $	Consolidated 2013 $
7.	**EARNINGS PER SHARE (continued)**		
(c)	Net profit/(loss) attributable to ordinary shareholders	(2,250,146)	(4,955,592)
(d)	Weighted average number of ordinary shares outstanding during the year used in the calculation:		
	- basic earnings per share	318,823,717	229,291,537
	- diluted earnings per share	318,823,717	229,291,537

8. TRADE AND OTHER RECEIVABLES (CURRENT)

	2014 $	2013 $
Other receivables	34,756	177,069
Accrued income	25,944	4,623
	60,700	181,692

The amounts receivable from directors and director related entities are $Nil (2013: $1,960). They are unsecured interest free and have no fixed terms of repayment.

TRADE AND OTHER RECEIVABLES (NON CURRENT)

	2014 $	2013 $
Security deposits/bonds	457,272	899,304

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)

Listed shares held for trading at fair value		2014 $	2013 $
Royal Resources Limited	(i)	100,530	178,081
Royal Resources Limited – Options	(ii)	-	2,052
Aldershot Resources Limited	(iii)	17,850	17,500
Bulletin Resources Limited	(iv)	8,500	11,500
Newera Resources Limited	(v)	1,500	5,250
Resources Star Limited	(vi)	45,000	105,000
		173,380	319,383

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 2014 the Company holds the following quoted securities:

(i) 2,872,265 (2013 – 2,872,265) fully paid ordinary shares in Royal Resources Limited;
(ii) Nil (2013 – 410,323) options in Royal Resources Limited expired on 31/10/2013;
(iii) 3,500,000 (2013 – 3,500,000) fully paid ordinary shares in Aldershot Resources Ltd, a Canadian company listed on the TSX Venture Exchange;
(iv) 500,000 (2013 –500,000) fully paid ordinary shares in Bulletin Resources Limited;
(v) 750,000 (2013– 750,000) fully paid ordinary shares in Newera Resources Limited; and
(vi) 5,000,000 (2013 – 5,000,000) fully paid ordinary shares in Resource Star Limited.

At as at the 10 December 2014, the total market value of the quoted investments based on closing prices at that date was $136,618.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

	Consolidated 2014 $	Consolidated 2013 $
10. PROPERTY, PLANT AND EQUIPMENT		
Leasehold Improvements, at cost	-	263,149
Less: accumulated depreciation	-	(263,149)
	-	-
Plant and equipment, at cost	297,533	336,687
Less: accumulated depreciation	(239,980)	(229,052)
Less: impairment loss	-	(19,585)
	57,553	88,050
Office equipment, at cost	269,544	230,941
Less: accumulated depreciation	(204,376)	(205,333)
Less: impairment loss	-	(2,572)
	65,168	23,036
Motor vehicles, at cost	267,912	321,435
Less: accumulated depreciation	(218,061)	(247,685)
Less: impairment loss	-	-
	49,851	73,750
Plant and equipment (NT), at cost	73,708	73,709
Less: accumulated depreciation	(39,546)	(33,906))
Less: impairment loss	-	-
	34,162	39,803
Haul road, at cost	-	1,019,800
Less: accumulated depreciation	-	(26,345)
Less: impairment loss	-	(993,455)
	-	-
Construction in progress	-	178,899
Less: impairment loss	-	(178,899)
	-	-
Total property, plant and equipment	206,734	224,639

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:

	2014 $	2013 $
Leasehold Improvements		
Carrying amount at 1 October 2013	-	20,694
Additions	-	-
Disposals	-	(15,526)
Depreciation	-	(5,168)
Impairment	-	-
Carrying amount at 30 September 2014	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

10. PROPERTY, PLANT AND EQUIPMENT (continued)
Reconciliations (continued)

	Consolidated 2014 $	Consolidated 2013 $
Plant and equipment		
Carrying amount at 1 October 2013	88,050	116,098
Additions	2,625	1,530
Disposals	(14,197)	(1,469)
Depreciation	(18,925)	(28,109)
Impairment		-
Carrying amount at 30 September 2014	57,553	88,050
Office equipment		
Carrying amount at 1 October 2013	23,036	37,903
Additions	54,876	-
Disposals	(283)	(2,998)
Depreciation	(12,461)	(11,869)
Impairment		-
Carrying amount at 30 September 2014	65,168	23,036
Motor vehicles		
Carrying amount at 1 October 2013	73,750	129,922
Additions		-
Disposals	(3,295)	(21,846)
Depreciation	(20,604)	(34,326)
Impairment		-
Carrying amount at 30 September 2014	49,851	73,750
Plant and equipment (NT)		
Carrying amount at 1 October 2013	39,803	48,511
Additions	-	-
Disposals	-	(1,112)
Depreciation	(5,641)	(7,596)
Carrying amount at 30 September 2014	34,162	39,803
Total carrying amount at 30 September 2014	206,734	224,639

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

	2014 $	2013 $
11. PARENT ENTITY DISCLOSURES		
STATEMENT OF FINANCIAL POSITION		
ASSETS		
CURRENT ASSETS	7,536,707	1,334,378
NON-CURRENT ASSETS	359,734	881,768
TOTAL ASSETS	7,896,441	2,216,146
LIABILITIES		
CURRENT LIABILITIES	444,544	583,405
NON-CURRENT LIABILITIES	-	121,764
TOTAL LIABILITIES	444,544	705,169
NET ASSETS	7,451,897	1,510,977
EQUITY		
Contributed equity	51,997,625	44,010,178
Reserves	7,565,740	7,350,522
Accumulated losses	(52,111,468)	(49,849,723
TOTAL EQUITY	7,451,897	1,510,977
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
Net profit/ (loss) from continuing operations for the year	(2,261,745)	(4,925,180)
Total Comprehensive income/(loss) for the year	(2,261,745)	(4,925,180)
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)
	-	-

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

(a) Exploration and evaluation

	2014 $	2013 $
At 1 October 2013	-	-
Expenditure incurred during the year	2,295,504	3,394,862
Expenditure provided or written off during the year (note 4(d))	(2,295,504)	(3,394,862)
At 30 September 2014	-	-

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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

	Consolidated 2014 $	Consolidated 2013 $
12. EXPLORATION, EVALUATION AND DEVELOPMENT EXPENDITURE (NON-CURRENT) (continued)		
(b) Mine properties and development		
At 1 October 2013	60,527	174,402
Expenditure incurred during the year	-	-
Disposals during the year	(60,527)	
Expenditure provided or written off during the year	-	(113,875)
At 30 September 2014	-	60,527

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 25).

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

13 DEFERRED TAX ASSET (NON-CURRENT)

	2014 $	2013 $
Deferred tax asset (Note 5)	-	-

14. INTANGIBLE ASSET

	2014 $	2013 $
Software and Licences		
At 1 October 2013	1,570	36,680
Additions	-	-
Disposals	-	-
Less: amortisation	(1,570)	(35,110)
At 30 September 2014	-	1,570

15. TRADE AND OTHER PAYABLES (CURRENT)

	2014 $	2013 $
Trade payables and accruals	226,590	424,284

16. PROVISONS (CURRENT)

	2014 $	2013 $
Employee entitlements	222,258	189,843
Number of employees at year end	8	9
PROVISIONS (NON-CURRENT)		
Employee entitlements	-	22,214
Provision for rehabilitation	-	99,550
	-	121,764

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 21.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

	Consolidated 2014 $	Consolidated 2013 $
17. DEFERRED TAX LIABILITY (NON-CURRENT)		
Deferred tax liability (Note 5)	-	-

18. CONTRIBUTED EQUITY AND RESERVES

	Number of Shares 2014	Number of Shares 2013	Consolidated 2014 $	Consolidated 2013 $
(a) Issued and paid up capital				
Ordinary shares	318,823,717	255,647,680	51,997,625	44,010,178

(b) Movement in ordinary shares on issue

		Number of Shares	Issue Price $	Total $
1/10/13	**Opening balance**	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
21/01/14	Placement	3,176,470	0.034	108,000
5/03/2014	Placement to a director	14,705,882	0.034	500,000
24/03/14	Acquisition of tenement	2,000,000	0.036	72,000
19/05/14	Acquisition of tenement	1,000,000	0.055	55,000
15/07/14	Exercise of unquoted options	560,000	0.09	50,400
24/07/14	Exercise of unquoted options	110,000	0.09	9,900
31/07/14	Placement	39,473,685	0.19	7,500,000
1/08/14	Exercise of unquoted options	1,500,000	0.06	90,000
1/08/14	Exercise of unquoted options	100,000	0.09	9,000
13/08/14	Exercise of unquoted options	50,000	0.09	4,500
15/08/14	Exercise of unquoted options	250,000	0.09	22,500
09/09/14	Exercise of unquoted options	250,000	0.06	15,000
	Share issue costs			(448,853)
	Balance at 30 September 2014	318,823,717		51,997,625

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 (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

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 2014

30 September 2014	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
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 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	-	(1,070,000)	-	1,280,000
Unquoted options exercisable at 6 cents each on or before 28 February 2019	-	13,000,000	(1,500,000)	-	11,500,000
Unquoted options exercisable at 6 cents each on or before 18 March 2017	-	750,000	(250,000)	-	500,000
Total	24,825,000	13,750,000	(2,820,000)	(5,975,000)	29,780,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

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 (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

18. CONTRIBUTED EQUITY AND RESERVES (continued)	Consolidated 2014 $	Consolidated 2013 $
(d) Reserves		
Share based payments reserve		
Balance at beginning of year	7,350,522	7,276,748
Share based payments	215,218	73,774
Balance at end of year	7,565,740	7,350,522

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 2014.

Share based payments reserve

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

19. ACCUMULATED LOSSES	Consolidated 2014 $	Consolidated 2013 $
Balance at the beginning of the year	(49,537,285)	(44,581,693)
Net profit/(loss) attributable to members of Thundelarra Limited	(2,250,146)	(4,955,592)
Balance at the end of the financial year	(51,787,431)	(49,537,285)

20. COMMITMENTS AND CONTINGENCIES	Consolidated 2014 $	Consolidated 2013 $
(i) Exploration commitments		
Within one year	1,021,582	920,929
Later than one year but not later than five years	272,464	917,525
Later than five years	259,254	340,601
	1,533,300	2,179,055

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:-

	2014 $	2013 $
Office rental		
Within one year	84,887	101,525
Later than one year but not later than five years	-	78,101
Later than five years	-	-
	84,887	179,626

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

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 31 May 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 2014 the Group has outstanding $100,000 (2013: $100,000) 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. 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 2014	WAEP 2014 $	Number 2013	WAEP 2013 $
Outstanding at the beginning of the year	24,825,000	0.50	27,385,000	0.55
Granted during the year	13,750,000	0.06	2,350,000	0.09
Lapsed during the year	(5,975,000)	0.23	(4,910,000)	0.56
Exercised during the year	(2,820,000)	0.07	-	-
Outstanding at the end of the year	29,780,000	0.39	24,825,000	0.50
Exercisable at the end of the year	29,780,000	0.39	23,825,000	0.51

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

21. SHARE BASED PAYMENTS (continued)

The outstanding balance as at 30 September 2014 is represented by:

Date options granted	Expiry date	Exercise price of options	Number of options
26 February 2010	25 February 2015	$0.64	6,750,000
28 February 2011	27 February 2016	$0.84	6,750,000
7 March 2012	28 February 2017	$0.23	2,000,000
16 April 2012	16 April 2015	$0.45	1,000,000
7 November 2012	31 October 2015	$0.09	1,280,000
28 February 2014	28 February 2019	$0.06	11,500,000
18 March 2014	18 March 2017	$0.06	500,000
			29,780,000

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 2014 Is 2.39 years (2013 –2.27 years).

(d) Range of exercise price
The range of exercise prices for options outstanding at the end of the year was $0.06 to $0.84 (2013 - $0.09 to $0.84).

(e) Weighted average fair value
The weighted average fair value of options granted during the year was $0.04 (2013 - $0.02)

(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 2014.

Number of Options	13,000,000	750,000
Option exercise price (cents)	6 cents	6 cents
Expiry date	28/02/2019	18/03/2017
Expected life of the option (years)	5 years	3 years
Vesting period (months)	Nil	Nil
Dividend yield (%)	Nil	Nil
Expected volatility (%)	99.4%	108%
Risk-free interest rate (%)	3.29%	3.04%
Discount for unquoted security	30%	30%
Closing share price at grant date (cents)	3.3 cents	3.6 cents
Vesting date	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

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	-

	Consolidated 2014 $	Consolidated 2013 $
22. 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	34,080	42,727

23. RELATED PARTY DISCLOSURES

(a) Directors

Fees received in the normal course of business in 2014 for office rental, administrative and employees services totalling $Nil (2013 - $138,950) 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 2014 for employees services totalling $Nil (2013 - $70,677) 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 24.

Transactions between the Parent and its wholly owned controlled entities during the year ended 30 September 2014 consists of loans repaid to the Parent totalling $221,975 (2013: Nil) and advanced by the Parent totalling $15,387,415 (2013: $1,711,173). The loans outstanding at 30 September 2014 total $1,113 (2013: $15,608,277). The loans provided are unsecured, interest free and have no fixed term of repayment. There were no repayments made during the year.

24 CONTROLLED ENTITIES

		Percentage Interest Held		Carrying amount of Parent Entity's Investment	
Name	**Country of Incorporation**	**2014 %**	**2013 %**	**2014 $**	**2013 $**
Element 92 Pty Ltd	Australia	100	100	-	-
Trilogy Metals Limited	Australia	100	100	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

25. INTEREST IN JOINT VENTURES

The Company has interests in several joint ventures as follows:

(a) Joint venture details

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:

	Consolidated 2014 $	Consolidated 2013 $
CURRENT ASSETS		
Cash and cash equivalents	-	20,142
TOTAL CURRENT ASSETS	-	20,142
NON-CURRENT ASSETS		
Trade and other receivables	-	109,291
Property, plant and equipment	-	1,194,511
Exploration expenditure	-	43,995
Mine development	-	1,673,567
Rehabilitation	-	60,527
TOTAL NON-CURRENT ASSETS	-	3,081,891
TOTAL ASSETS	-	3,102,033
CURRENT LIABILITIES		
Trade and other payables	-	4,544
TOTAL CURRENT LIABILITIES	-	4,544
NON-CURRENT LIABILITIES		
Provisions	-	99,550
TOTAL NON-CURRENT LIABILITIES	-	99,550
TOTAL LIABILITIES	-	104,094
NET ASSETS	-	2,997,939

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 2014 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 2014	Percentage Interest 2013	Expenditure Capitalised 2014 $	Expenditure Capitalised 2013 $
Copernicus JV	Base metals	-	21.99%	-	-
East Kimberley JV	Base metals	-	37.15%	-	-
Great Gold Mines JV	Base metals	-	80%	-	-
Breakaway JV	Base metals	20%	20%	-	-
Richmond JV	Base metals	90%	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

26. 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	**2014 $**	**2013 $**	**2014 $**	**2013 $**	**2014 $**	**2013 $**	**2014 $**	**2013 $**
Financial Assets								
Cash and cash equivalents	826,696	699,410	6,500,00	172,781	-	-	7,326,696	872,191
Trade and other receivables	-	-	457,272	899,304	60,700	181,692	517,972	1,080,996
Other financial assets	-	-	-	-	173,380	319,383	173,380	319,383
Total Financial Assets	826,696	699,410	6,957,272	1,072,085	234,080	501,075	8,018,048	2,272,570
Financial Liabilities								
Trade and other payables	-	-	-	-	(226,590)	(424,284)	(226,590)	(424,284)
Total Financial Liabilities	-	-	-	-	(226,590)	(424,284)	(226,590)	(424,284)
Net Financial Assets/(Liabilities)	826,696	699,410	6,957,272	1,072,085	7,490	76,791	7,791,458	1,848,286

Weighted Average Interest Rate	1.50%	1.75%	3.28%	3.94%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

26. FINANCIAL INSTRUMENTS (continued)

Reconciliation of net financial assets/ (liabilities) to net assets	Consolidated 2014 $	Consolidated 2013 $
Net Financial Assets/(Liabilities) as above	7,791,458	1,848,286
Property, plant and equipment	206,734	224,639
Exploration & evaluation expenditure	-	-
Mine development	-	60,527
Intangibles	-	1,570
Provisions	(222,258)	(311,607)
Net Assets per Statement of Financial Position	7,775,934	1,823,415

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) ***Commodity Price Risk***

At the 30 September 2014, the Group does not have any financial instruments subject to commodity price risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

27. 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 2014, a 10% change in fair values will have the following impact on loss before tax and equity before tax.

	Consolidated	
	2014 $	2013 $
Loss before tax:		
Available for sale financial assets	-	-
Held for trading financial assets	17,338	31,938
Equity:		
Available for sale financial assets		-
Held for trading financial assets	17,338	31,938

(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 2014	Carrying Amount $	Interest Rate Risk -1%		Interest Rate Risk + 1%	
		Net loss $	Equity $	Net loss $	Equity $
Financial Assets					
Cash and cash equivalents	7,326,696	(73,267)	(73,267)	73,267	73,267
Other receivables interest bearing	457,272	(4,573)	(4,573)	4,573	4,573
Totals	7,783,968	(77,840)	(77,840)	77,840	77,840

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

28. 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 2014 financial report:

Land Use Deed – Mary River East
In November 2014, pursuant to a Land Use Deed – Mary River East the Company issued 434,782 ordinary shares at a deemed issue price of $0.092 per share in consideration of the landowner providing exploration services as requested by the Company from time to time in relation to the Allamber tenements located in the Northern Territory.

29. 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 2014 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 2014.

On behalf of the Board

FRANK DEMARTE
Executive Director

Perth, Western Australia

11 December 2014

Stantons International Audit and Consulting Pty Ltd
trading as
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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 2014, 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.

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 2014 and of its performance for the year ended on that date; and
  (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

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

Report on the Remuneration Report

We have audited the remuneration report included in pages 10 to 18 of the directors' report for the year ended 30 September 2014. 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 2014 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

Samir R. Tirodkar
Director

West Perth, Western Australia
11 December 2014

Stantons International Audit and Consulting Pty Ltd
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11 December 2014

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 2014, 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
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(An Authorised Audit Company)

Stantons International Audit and Consulting Pty Ltd

Samir R. Tirodkar

Director