



THUNDELARRA

Annual Report 2015

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DIRECTORS

Philip G Crabb
Non-Executive Chairman

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Executive Director

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Non-Executive Director

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Antony Lofthouse

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AUDITOR

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WEST PERTH WA 6005

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INDEPENDENT AUDIT REPORT TO
THE MEMBERS 66

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STOCK EXCHANGE

Australian Securities Exchange Limited
Home Branch Perth

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

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.

ASX CODE - THX

CHAIRMAN'S LETTER

Dear Shareholder

It gives me pleasure to present the 2015 annual report for Thundelarra and to be able to say that the hard decisions made in previous years, together with careful cash management practised by all the Thundelarra team, and further outstanding exploration results at our flagship Red Bore copper-gold project, continue to leave your Company well-placed for the coming year.

Like the previous year, 2015 has again failed to deliver the much hoped-for recovery in the resources sector. And indeed many pundits are forecasting no material change to the status quo in 2016. Exploration companies continue to find life in the resources sector extremely challenging and indeed many are either leaving of their own accord to follow a different path or are being forced to shut their doors.

A recent review of the sector noted “...over 700 junior mining and exploration companies in Australia.....with 29% having less than \$500,000 of cash”. A rule of thumb for the sector is that it requires \$1,000,000 per annum to keep the doors open of a company that is actively exploring. So that's over 200 companies with nowhere near enough cash to last calendar 2016, even if they just sit on what cash they do have and carry out no exploration. Not much hope of reward for shareholders if your company isn't even drilling holes. Fortunately Thundelarra does not fall into this category and remains an active explorer for copper and gold, having carried out seven drilling programmes during the year, as well as several airborne and ground-based geophysical surveys, over four separate projects.

I have said this before and I have no qualms in repeating it as I believe it is important to highlight this situation. Irrespective of the state of the market – and it is unquestionably still a depressing picture for the overall Australian exploration sector – if you invest in junior companies you do so because you want them to explore. And that is what Thundelarra continues to do. We are able to do this as a direct result of the successful strategies that we have put in place and the hard decisions we have had to make over the past three years to do our level best to ensure that your Company is in the best possible position to take fullest advantage of the recovery that will eventually come.

Thundelarra has exciting exploration targets and has the money to be able to explore them effectively and efficiently for the coming year. This maintains our position as one of a relatively select group of companies that continue to be active explorers.

The Red Bore granted Mining Lease, located just 500m from Sandfire Resources NL's DeGrussa copper-gold mine in the Doolgunna area of Western Australia, remains our flagship exploration project and we remain irrevocably committed to pursuing the potential that we are convinced it contains – despite assertions to the contrary that we see posted anonymously on share market forums from time to time. All the Thundelarra team are shareholders in the company and so we all have the same desire for exploration success that every other shareholder has.

Our exploration successes at Red Bore are testament to the technical rigour applied by our geological team. The Doolgunna region is not simple – if it was, then it wouldn't offer the exploration potential that it does. Exploration success will come from persistence and from patience. Each successive exploration success is a small step forward towards unlocking the key to the mineral riches that we firmly believe lie somewhere deep below the surface. We know that many shareholders want things to happen quicker, seeing the volume and frequency of drilling results that our neighbours Sandfire release from their Monty discovery in Joint Venture with Talisman. But we ask shareholders to remember that we don't have the balance sheet that they have: they just announced completion of their earn-in of 70% of the JV, having spent \$15 million on exploring there in just the past two years. Plus they intend to spend a further \$7.5 million there in the next 3 months. Our approach must necessarily be slower so that we don't drain our bank balance in the blink of an eye.

Once again, particular mention needs to be made of the dedication and commitment of our Chief Geologist Costica Vieru. His technical expertise and rigorous evaluation of the geological data have been of paramount importance to the exploration successes we have enjoyed this year.

In the past two years I've said that innovation and creative thinking is the lifeblood of a junior exploration company, and this remains our mantra. Failure is not an option. We will continue to pursue our dreams of exploration success, whether it be at Red Bore, Curara Well, Allamber, Sophie Downs, or one of our new gold projects that were added to our portfolio following the post-balance date acquisition of Red Dragon Mines. Thundelarra is a committed explorer and fully intends to remain so during 2016.

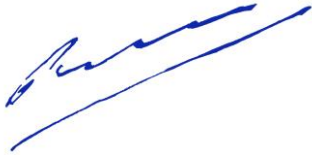
Also, don't forget to keep an eye on any drilling results that Panoramic may report for the Keller Creek tenement in the East Kimberley. We hold high hopes for our 20% free-carried interest in that nickel tenement!

I would like to take this opportunity to thank our hard working CEO Tony Lofthouse, Director and Company Secretary Frank DeMarte, fellow Director Mal Randall, and our staff Costica Vieru and Bridget Reid for their continued support and efforts during another difficult year.

CHAIRMAN'S LETTER

And last but not least, thank you to you our loyal Shareholders for your continued faith in what we are trying to achieve. I ask that you support the resolutions proposed for the Annual General Meeting and respond by having your proxies voting in favour of those resolutions lodged at an early date.

Don't forget - we have exciting projects and the money to explore them and we will continue to do everything within our power to ensure that your continuing confidence is not misplaced.



Philip G Crabb
Chairman

CEO'S REVIEW OF OPERATIONS

A busy year for Thundelarra delivered some further exciting results and greatly added to our exploration knowledge base and our understanding of the geological controls at our Projects. Red Bore particularly gave us cause to be excited about the next stage of exploration there.

Exploration activities across our projects in West Australia and the Northern Territory during the year to 30 September 2015 ranged from mapping and geochemical sampling, through various types of geophysical surveys, to Air Core ("AC") and Reverse Circulation ("RC") drilling programmes.

The resources sector, particularly the explorers, had all hoped that 2015 would see the long-awaited turnaround and a move to recovery in the market. This did not eventuate and the sector continues to "do it hard", as commodity prices continue to fall and economies around the world struggle to deliver the sort of growth rates that create strong demand for commodities and so underpin exploration activity.

An increasing number of junior explorers and small producers are either falling by the wayside and closing their doors, or curtailing all exploration activity (the so-called "zombie" explorers), or switching to dot.com or other businesses.

Thundelarra continues to explore actively, spending just on \$3.9 million during the year, of which 70% (\$2.7 million) went into the ground, with the balance of \$1.2 million being administrative expenses. Analysis of junior exploration companies over the years has shown that few, if any, active explorers can maintain effective performance with administrative costs running at much under about \$1 million per annum. As an explorer, Thundelarra remains focused on ensuring that at least two thirds of all expenditure goes into the ground.

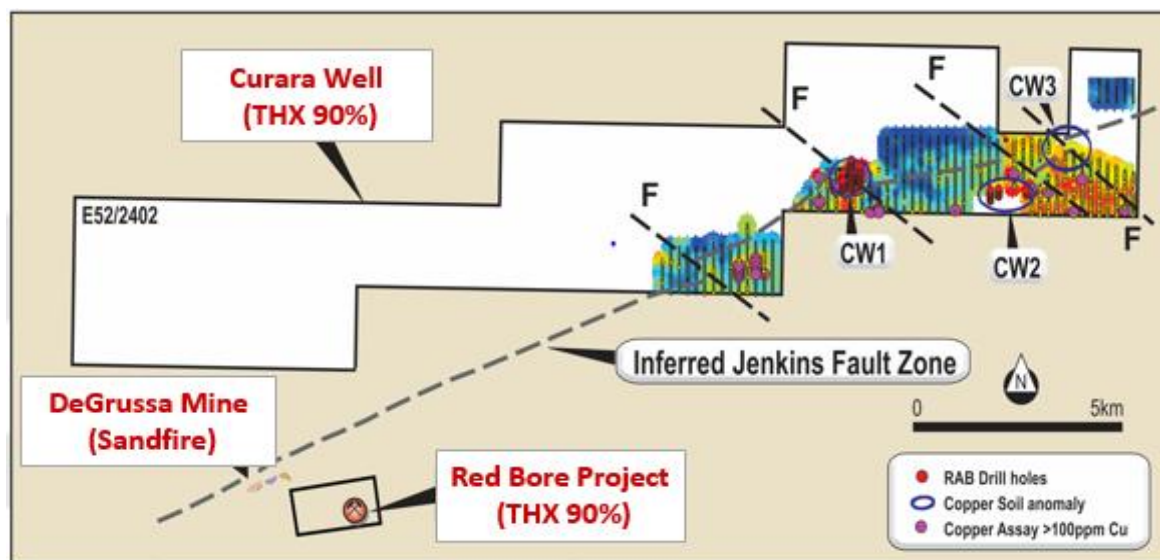
We believe these factors make our achievements in 2015 all the more satisfying under what continues to be a very challenging environment for junior exploration companies.

On the exploration front Thundelarra carried out seven drilling programmes during the year at four main project areas: Red Bore and Curara Well, both in the Doolgunna region of Western Australia; and at Allamber and Copperfield, both near Pine Creek in the Northern Territory.

In all, 115 holes were drilled for a total advance of 12,248m. This was broken down as follows:

Type of Drilling	Holes	Metres Drilled	Prospects
Reverse Circulation	67	9,960	Red Bore; Curara Well; Allamber; Copperfield
Air Core	48	1,209	Curara Well
Total	115	12,248	

Thundelarra's 90% interest in **Red Bore** remains the main focus of market attention and the main focus of our exploration efforts. This 2 square kilometre granted mining licence at Doolgunna in the Murchison district of Western Australia is surrounded by ground held by Sandfire Resources as part of their DeGrussa copper-gold mining operations. The treatment plant is only about 500m from the north-western corner of the Red Bore licence and no more than 1,500m from the high grade near-surface primary copper sulphide mineralisation identified by Thundelarra at its Gossan prospect.



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

CEO'S REVIEW OF OPERATIONS

Work programmes during the year included a low level airborne magnetic and radiometric survey, detailed ground magnetics, several AMT (audio-magneto telluric) geophysical survey lines, and two drilling programmes.

All results to date support the conceptual geological models for the Red Bore mineralisation that our geological team has developed. These models offer the very real potential for the presence of copper-gold mineralisation of the same or similar genesis as that at the nearby DeGrussa mine.

The June 2015 discovery at Monty, several kilometres east of Red Bore, by the Sandfire/Talisman joint venture, of massive sulphide mineralisation displaying all the characteristics of VMS-style (Volcanogenic Massive Sulphide) mineralisation, has also enhanced the prospectivity of Red Bore and the surrounding areas as it provides further evidence that the district hosts a VMS camp

The full results of the 2015 drilling at Red Bore and Curara Well, together with updates on the results and significance of the various geophysical surveys undertaken during the year, were reported in announcements to the ASX dated 09 February 2015, 09 April 2015, 16 April 2015, 15 July 2015, 24 August 2015 and 28 September 2015.

The 2015 drilling followed the mineralisation, interpreted to be feeder pipes within a VMS system, deeper and the results demonstrated that high grade copper-gold-silver mineralisation continues deeper. Significant intersections included:

68m at 1.9% Cu,	1.0 gpt Au,	3.8 gpt Ag from 26m in TRBC080
52m at 2.5% Cu,	1.9 gpt Au,	4.2 gpt Ag from 25m in TRBC096
21m at 5.3% Cu,	1.2 gpt Au,	7.0 gpt Ag (50m, TRBC077)
7m at 5.0% Cu,	0.5 gpt Au,	10.8 gpt Ag (87m, TRBC080)
5m at 10.4% Cu,	0.5 gpt Au,	11.0 gpt Ag (59m, TRBC081)
5m at 13.0% Cu,	4.3 gpt Au,	18.5 gpt Ag (36m, TRBC096)
5m at 7.9% Cu,	1.9 gpt Au,	13.5 gpt Ag (24m, TRBC102)
7m at 6.6% Cu,	2.8 gpt Au,	8.8 gpt Ag (24m, TRBC103)

These results complement the initial spectacular results reported in 2014:

DSO Grade Copper Intercepts

7.05m at 28.4% Cu,	1.3 gpt Au,	32.2 gpt Ag (30m, TRBDD09)
4.0m at 28.3% Cu,	6.9 gpt Au,	33.5 gpt Ag (30m, TRBC075)

Intercepts averaging > 5% Cu

15.6m at 15.2% Cu,	17.7 gpt	Ag (24m, TRBDD09)
29m at 6.0% Cu,	1.1 gpt Au,	3.3 gpt Ag (6m, TRBC070)
16m at 9.0% Cu,	2.3 gpt Au,	10.5 gpt Ag (25m, hole TRBC075)
15m at 5.3% Cu,	1.4 gpt Au,	6.2 gpt Ag (19m, TRBC072)
5m at 13.1% Cu,	1.5 gpt Au,	18.7 gpt Ag (50m, TRBC072)
9m at 6.0% Cu,	3.4 gpt Au,	7.3 gpt Ag (29m, TRBC071)
4m at 9.9% Cu,	0.3 gpt Au,	2.1 gpt Ag (12m, TRBDD06)
5.8m at 6.6% Cu,	2.2 gpt Au,	2.5 gpt Ag (12m, TRBDD01)
5.9m at 6.0% Cu		(54m, TRBDD06)
4.5m at 6.5% Cu,	2.3 gpt Au,	7.6 gpt Ag (29m, TRBDD04)
5.0m at 5.0% Cu,	0.5 gpt Au,	2.9 gpt Ag (20m, TRBDD03)

Intercepts over 30% Cu

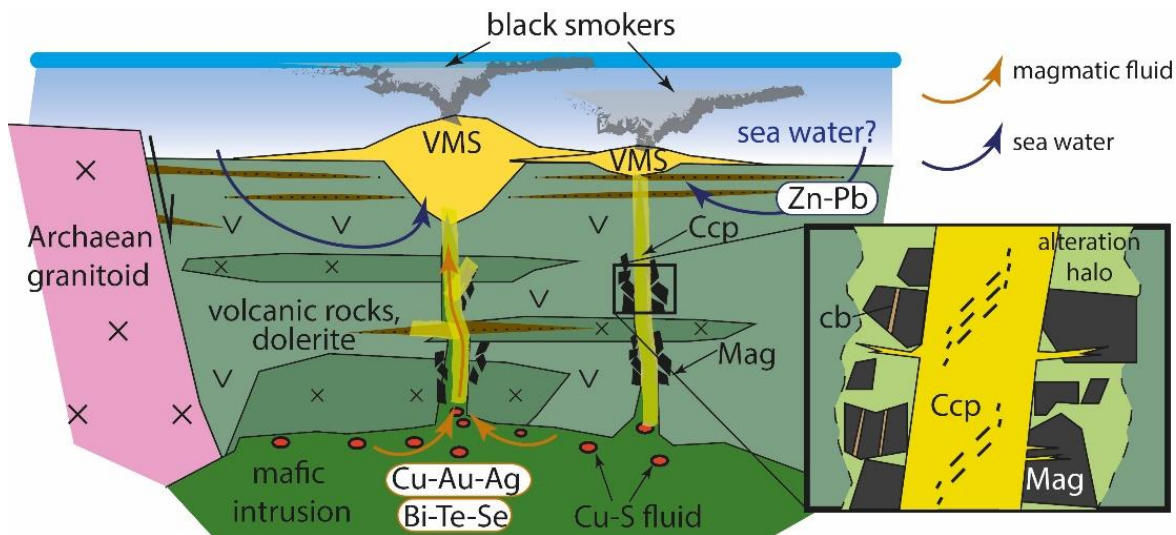
1.0m at 31.3% Cu,	2.6 gpt Au,	34.2 gpt Ag (36m, TRBDD09)
1.0m at 30.0% Cu,	2.9 gpt Au,	32.4 gpt Ag (30m, TRBC075)

Notes: The true widths of these intervals has not yet been determined. "DSO" stands for "Direct Shipping Ore", a term referring to mineralisation of a sufficiently high metal grade that only crushing and screening, with no other beneficiation processes, are required prior to shipment. Sandfire's DSO contracts announced on 04 November 2011 and 15 December 2011 referred to 25.6% Cu for DSO. The spectacular copper grades in holes TRBDD09 and TRBC075 do not imply that the mineralisation will be mined, crushed and sold: simply that the material satisfies theoretical DSO grade criteria.

CEO'S REVIEW OF OPERATIONS

In 2014 we discovered what was subsequently renamed the Impaler prospect: a magnetic anomaly about 900m west of Gossan that proved to have copper-gold-silver mineralisation under ~60m of cover. All the geological evidence to date suggests that Impaler may represent a similar discovery to the Gossan "pipe" and may also be part of the same mineralising system as the nearby DeGrussa.

Furthermore, analyses of the multi-element geochemistry shows that Impaler displays anomalous geochemistry in As, Pb, Zn, Se, Tl, Pb, Sn and W, in addition to the Cu, Au, Ag mineralisation intersected. Anomalous geochemistry from this multi-element suite is characteristic of VHMS (Volcanogenic Hosted Massive Sulphide) style deposits of the DeGrussa and Monty type.



Magmatic input into VMS deposits (ref: "Massive chalcopyrite mineralisation at Red Bore, WA. The magmatic roots of a Palaeoproterozoic sea floor hydrothermal system" by A Agangi; C Vieru; D Plavsa; V Selvaraja).

The 2016 financial year will see Thundelarra continuing to follow the mineralisation at Gossan and Impaler deeper using careful, systematic and geologically rigorous exploration practices. The Doolgunna region has undergone intense tectonisation (faulting) with several major trends of faulting, which results in a complex structural regime. This necessitates carefully controlled exploration programmes in order to unlock the key to the unquestioned potential that the area offers. The geological evidence to date at Red Bore continues to suggest that the project holds immense potential for the eventual discovery of significant copper-gold-silver mineralisation.

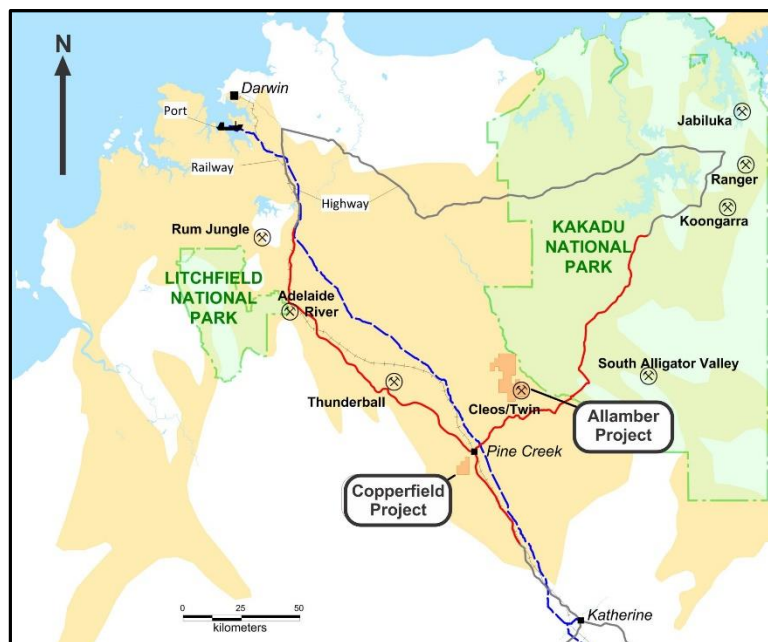
The 90%-owned **Curara Well** project is about five kilometres north of the Red Bore project. During the year an air core drill programme, followed up by selected RC drillholes, tested several theories regarding the position and attitude of the Jenkin Fault Zone ("JFZ"), a major basin-bounding fault active during rifting when the VMS-prospective Bryah and other sedimentary basins were forming to the south. Conventional wisdom has such basin-bounding faults dipping towards the basin. Based on GSWA evidence from large scale regional AMT traverses and conceptual models developed by Thundelarra's geological teams, we tested – and proved – that the JFZ actually dips steeply the other way (to the northwest). This is significant as it opens the possibility that Bryah Basin sediments, including the Narracoota formation that is the main host of the VMS mineralisation discovered so far in the area, may exist at depth to the north of the surface trace of the JFZ.

Our drilling was also designed to test the theory that thrusting from the north may have resulted in sheets or slabs of the older Archaean granite being "pushed over" the Bryah Basin sediments. If this were the case, then areas mapped at surface as granite may in fact conceal VMS-prospective sediments beneath. The areas we tested did not prove that a thin cover of granite overlay younger Bryah Basin sediments in those locations. Evidence of overthrusting was found, with the granite in places containing slabs of mafic and ultramafic material interpreted as being Archaean greenstone belt material, theoretically and potentially prospective for gold.

The geological models at Curara Well remain valid but additional work is required in 2016 to target the locations and settings there that may represent the best potential for a discovery. Curara Well remains a significant exploration project in our portfolio, but the immediate priority remains to the south at Red Bore.

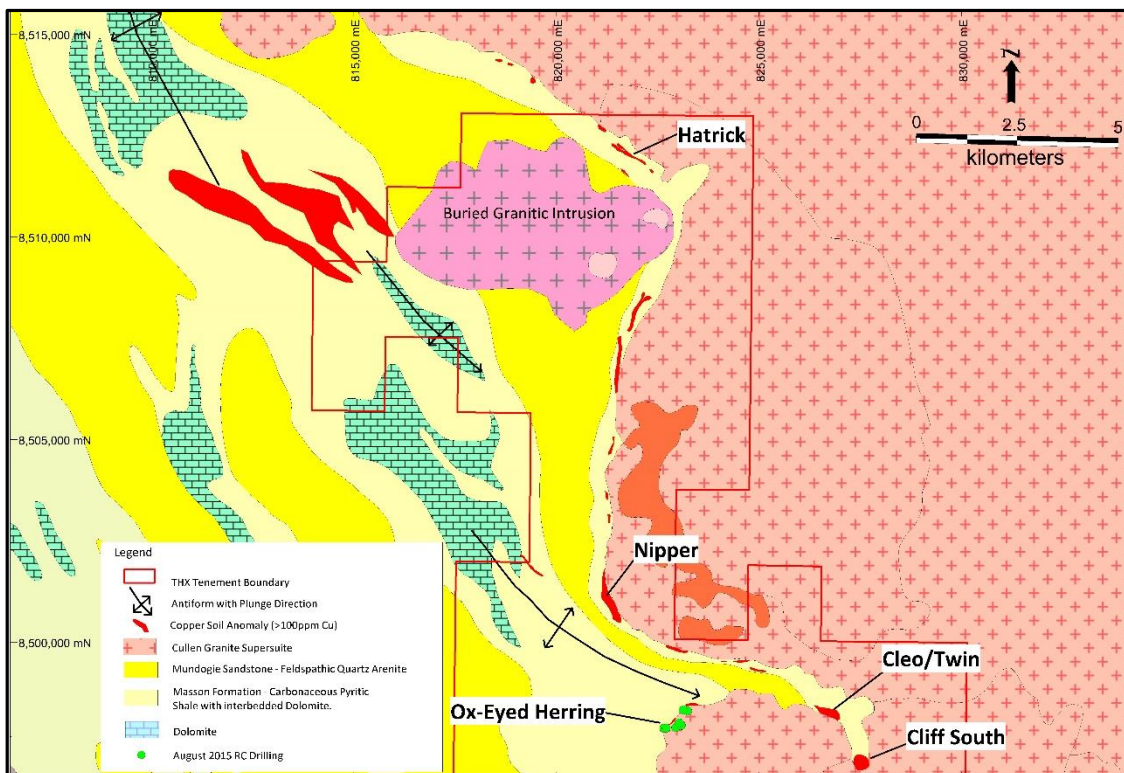
In the Northern Territory the Company has three projects: **Allamber** and **Copperfield** close to the township of Pine Creek; and **Ngalia Basin**, an In Situ Leach uranium exploration project in Central Australia, about 240 kms west-north-west of Alice Springs.

CEO'S REVIEW OF OPERATIONS



Regional location of Allamby and Copperfield, showing local infrastructure.

At **Allamby**, located approximately 180km south-east of Darwin, we have consolidated our interests into a portfolio of contiguous tenements that are now wholly-owned.



Allamby Project area showing Ox-Eyed Herring and Cliff South prospect locations

During the year we completed two drilling programmes of 21 and 7 RC holes for 4,670m total advance tested eight targets across the project.

Full explanations of the results of the drilling programmes, including all assay results, were reported in the ASX Announcements dated 03 February 2015 and 24 September 2015.

CEO'S REVIEW OF OPERATIONS

The results led us to downgrade a number of these prospects after concluding that although the required mineralising processes are present, it appears that the mineralising systems were not large enough and did not involve sufficient mineralising fluids to result in the formation of deposits of commercial scale.

The drilling and geophysical programmes carried out did identify the **Ox-Eyed Herring** and adjacent **Tarpon** prospects as being of continued interest and warranting follow-up in the 2016 year.

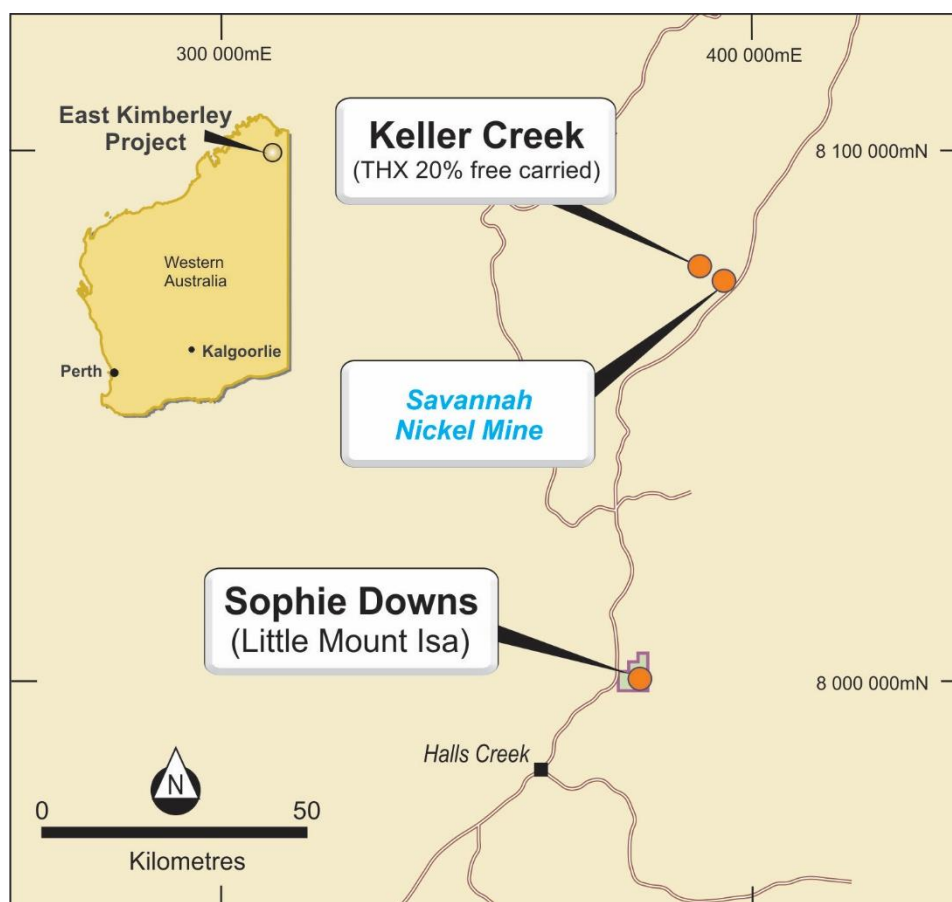
The **Cliff South** copper-uranium prospect also remains of interest, as does the approximately 15 km north-south contact of the Masson Formation carbonaceous meta-pelites with the Allamber granite to the east. Graphitic occurrences are found all along this contact. Previous work has identified high TGC values (Total Graphitic Carbon) and flake sizes in excess of 200 microns. This warrants further investigation.

The results of this year's exploration has allowed us to reduce the overall landholding of the Allamber Project as part of our programme of conscientious and responsible cost management.

The second drill programme at Allamber also included four holes drilled at the nearby **Copperfield** Project to test for possible copper / gold mineralisation associated with shear zones. The results were reported in detail in the ASX announcement dated 24 September 2015. No significant mineralisation was encountered.

No active exploration field work was carried out at Ngalia Basin, reflecting the market sentiment for uranium and uranium exploration, which has remained depressed since the March 2011 Fukushima disaster. We have completed all rehabilitation work necessary to keep the project in good standing and continue to seek potential partners with a countercyclical view on uranium. Finding such a partner, with appetite for uranium exploration and sufficient financial backing, is considered the most appropriate strategy for Thundelarra in respect to the Ngalia project.

No exploration field work was carried out at the Sophie Downs Project in the East Kimberley region of Western Australia during the year.



Sophie Downs and Keller Creek locations in the East Kimberley.

CEO'S REVIEW OF OPERATIONS

The decision was made to surrender the **Frank Hill / Azura** Project, as despite technically interesting results from previous programmes, we could not identify a tangible target that we considered might have the potential to host economic mineralisation.

The Keller Creek tenement, in which Thundelarra holds a 20% free-carried interest through to a decision to mine, is adjacent to the Savannah underground nickel mine operated by Panoramic Resources (PAN). Panoramic holds the 80% balance in Keller Creek and manages exploration on the tenement. In its ASX announcement dated 26 August 2015, Panoramic released an exploration update on its Savannah North discovery (which, it appears, represents the near-term future of the Savannah mine). Geophysical surveys indicate that the Savannah North nickel mineralisation at depth extends possibly up to 2 kilometres to the west, beneath the Keller Creek tenement. The potential that this represents is significant to Thundelarra. As Panoramic continues exploration on this mineralisation into 2016, any successes should, in theory, translate to additional value for Thundelarra too. We look forward to developments at Keller Creek with great anticipation.

Thundelarra continues to manage its capital carefully and frugally, whilst maintaining active exploration programmes. With \$4 million cash at bank at the end of the year we remain well funded to carry out our 2016 exploration plans. The long awaited recovery in the metals exploration sector continues to elude us all, but we remain upbeat about our exploration prospects and the geological and technical potential of our targets. The difficult times of the past few years have instilled a culture within the team that will continue to ensure efficient and effective use of shareholder funds.

We believe that 2016 has the potential to be a very exciting year for Thundelarra shareholders – even more so given the post-balance date acquisition of Red Dragon Mines NL and its portfolio of Western Australian gold prospects. We believe that adding dedicated gold prospects to our exploration focus offers further potential for significant discoveries and market re-rating.

MINERAL RESOURCES AND ORE RESERVES STATEMENT

In accordance with ASX Listing Rules 5.20, 5.21, 5.22, 5.23 and 5.24, Thundelarra has an equity interest in estimated mineral resources at the Red Bore Copper-Gold Project, located approximately 900km north-east of Perth in the Doolgunna region of the Murchison District of Western Australia. The mineral resources tabulated below have not changed in any way from the previous year.

RED BORE COPPER-GOLD PROJECT

The Red Bore project comprises one granted Mining Licence M52/597 and is a joint venture between Thundelarra (90%) and Mr William Richmond (10%).

Estimated mineral resources (100%) were reported to the Australian Stock Exchange on 4 May 2012.

1% Cu Cut-off Grade							
Class	Material	Tonnes	Bulk Density	Cu (%)	Tonnes Cu	Au (%)	Au Ounces
Indicated	Oxide	20,000	3.2	2.9	600	0.40	270
Indicated	Transitional	12,000	3.2	4.2	480	0.50	180
Indicated	Fresh	16,000	3.1	4.0	660	0.40	190
		48,000	3.2	3.6	1,740	0.40	650

Red Bore Copper-Gold Project (Murchison District, Western Australia). No change from 2014.

This information was prepared and first disclosed in compliance with the 2004 JORC Code. Thundelarra is not aware of any new information or data that materially affects the information presented herein and confirms that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. Consequently it has not been updated since to comply with the 2012 JORC Code on the basis that the information has not materially changed since it was last reported.

Competent Person Statement

The mineral resources and ore reserves statement in this Annual Report is based on, and fairly represents, information and supporting documentation prepared by a competent person or persons. The mineral resources and ore reserves statement as a whole has been approved by Mr Costica Vieru, who is a full-time employee of the Company and a Member of the Australian Institute of Geoscientists. Mr Vieru consents to the inclusion of the mineral resources and ore reserves statement in the form and context in which it appears in this Annual Report.

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2015

APPROACH TO CORPORATE GOVERNANCE

Thundelarra Limited ACN 085 782 994 (**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 recommendations set out in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 3rd 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 explained 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, under the section marked "Corporate Governance":

Charters

Board
Audit Committee
Nomination Committee
Remuneration Committee
Risk Committee

Policies and Procedures

Process for Performance Evaluations
Policy and Procedure for the Selection and (Re) Appointment of Directors
Induction Program
Diversity Policy (summary)
Code of Conduct (summary)
Policy on Continuous Disclosure (summary)
Compliance Procedures (summary)
Shareholder Communication and Investor Relations Policy
Securities Trading Policy

The Company reports below on whether it has followed each of the recommendations during the 2014/2015 financial year (**Reporting Period**). The information in this statement is current at 30 November 2015. This statement was approved by a resolution of the Board on 3 December 2015.

PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Recommendation 1.1

The Company has established the respective roles and responsibilities of its Board and management, and those matters expressly reserved to the Board and those delegated to management and has documented this in its *Board Charter*.

Recommendation 1.2

The Company undertakes appropriate checks before appointing a person, or putting forward to shareholders a candidate for election as a director and provides shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

The checks which are undertaken, and the information provided to shareholders are set out in the Company's *Policy and Procedure for the Selection and (Re) Appointment of Directors*.

Recommendation 1.3

The Company has a written agreement with each director and senior executive setting out the terms of their appointment. The material terms of any employment, service or consultancy agreement the Company, or any of its child entities, has entered into with its Chief Executive Officer, any of its directors, and any other person or entity who is related party of the

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2015

Chief Executive Officer or any of its directors has been disclosed in accordance with ASX Listing Rule 3.16.4 (taking into consideration the exclusions from disclosure outlined in that rule).

Recommendation 1.4

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board as outlined in the Company's *Board Charter*. The Company's Secretary's role is also outlined in the employment agreement between the Company Secretary and the Company.

Recommendation 1.5

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

The respective proportions of men and women on the Board, in senior executive positions and across the whole organisation are set out in the following table. "Senior executive" for these purposes means those who have the opportunity to materially influence the integrity, strategy and operation of the Company and its financial performance:

	Proportion of women
Whole organisation	2 out of 8 (25%)
Senior executive positions	0 out of 1 (0%)
Board	0 out of 3 (0%)

Recommendation 1.6

The Chair is responsible for evaluation of the Board and, when deemed appropriate, Board committees and individual directors in accordance with the process disclosed in the Company's *Process for Performance Evaluations*.

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.

Recommendation 1.7

The Chair is responsible for evaluating the performance of the Company's two senior executives, the Chief Executive Officer and the Chief Financial Officer & Company Secretary in accordance with the process disclosed in the Company's *Process for Performance Evaluations*.

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 refer to Recommendation 1.6 above.

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

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2015

PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE

Recommendation 2.1

The Board has not established a separate Nomination Committee. Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Nomination Committee. Accordingly, the Board performs the role of the Nomination Committee. Although the Board has not established a separate Nomination Committee, it 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.

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. Separate meetings of the full Board in its capacity as the Nomination Committee are held, and minutes of those meetings are taken. 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.

Details of director attendance at meetings of the full Board, in its capacity as the Nomination Committee, during the Reporting Period, are set out in a table in the Directors' Report on page 27 of the Company's 2015 Annual Report. As noted above, the full Board carries out the role of the Nomination Committee. The full Board did not officially convene as a Nomination Committee during the Reporting Period, however nomination-related discussions occurred from time to time during the year as required.

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

Recommendation 2.2

The mix of skills and diversity for which the Board is looking to achieve in membership of the Board is represented by the composition of its current Board. The Board members have a high level of experience and expertise in the resources sector. The Board comprises directors who possess the following skills and qualifications: extensive corporate, technical, management, marketing, financial and geological. The Board considers that this mix of skills is appropriate for the Company's current circumstances.

Recommendation 2.3

The Board considers the independence of directors having regard to the relationships listed in Box 2.3 of the Principles & Recommendations. During the reporting period, the sole independent director of the Company was Malcolm Randall. Mr Randall has been on the Board since 2003 as a none-executive director.

The Board has considered Mr Randall's independence, and notwithstanding his length of service on the Board, the Board considers that Mr Randall is sufficiently independent because he is not a member of management and who is free of any business or other relationship that could materially interfere with the independent exercise of his judgement and consistently makes decisions that are in the best interests of the Company. Accordingly, the Board considers Mr Randall to be an independent director.

The length of service of each director is set out in the Directors' Report on pages 16 to 17 of the Company's 2015 Annual Report.

Recommendation 2.4

The Board does not have a majority of directors who are 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 Company gives consideration to the balance of independence on the Board and will continue to review its composition.

Recommendation 2.5

During the Reporting Period, the Company did not have an independent Chair. The non-independent Chair of the Board is Philip Crabb. The Board believes that Mr 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 Mr Crabb makes decisions that are in the best interests of the Company.

The Chief Executive officer is Mr Antony Lofthouse who is not a director or Chair of the Board.

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2015

Recommendation 2.6

The Company has an induction program that it uses to when new directors join the Board and when new senior executives are appointed. The goal of the program is to assist new directors to participate fully and actively in Board decision-making at the earliest opportunity and to assist senior executives to participate fully and actively in management decision-making at the earliest opportunity. The Company's *Induction Program* is disclosed on the Company's website.

The full Board in its capacity as the Nomination Committee regularly reviews whether the directors as a group have the skills, knowledge and familiarity with the Company and its operating environment required to fulfil their role on the Board and the Board committees effectively using a Board skills matrix. Where any gaps are identified, the Board considers what training or development should be undertaken to fill those gaps. In particular, the Board ensures that any director who does not have specialist accounting skills or knowledge has a sufficient understanding of accounting matters to fulfil his or her responsibilities in relation to the Company's financial statements.

PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY

Recommendation 3.1

The Company has established a Code of Conduct for its directors, senior executives and employees, a summary of which is disclosed on the Company's website.

The Company has also adopted a Whistleblower Policy to encourage the reporting of violations (or suspected violations) of the Company's Code of Conduct and provide effective protection from victimisation or dismissal to those reporting by implementing systems for confidentiality and report handling.

PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING

Recommendation 4.1

The Board has established an Audit Committee. The members of the Audit Committee are the Company's two non-executive directors, Malcolm Randall (Chair) and Philip Crabb. The Audit Committee is not structured in compliance with Recommendation 4.1 as it comprises only two members. The Board is unable to establish an Audit Committee that meets the compositional requirements of Recommendation 4.1. However, the Board considers it appropriate that the Audit Committee comprise the Company's two non-executive directors, one of whom is independent and the committee is chaired by an independent director who is not also Chair of the Board.

The Company has also 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. 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 Board.

Details of director attendance at Audit Committee meetings during the Reporting Period are set out in a table in the Directors' Report on page 27 of the Company's 2015 Annual Report.

The Board has adopted an Audit Committee Charter which describes the Audit Committee's role, composition, functions and responsibilities.

Recommendation 4.2

Before the Board approved the Company financial statements for the half year ended 31 March 2015 and the full-year ended 30 September 2015 and each of the quarters ending 31 December 2014, 31 March 2015, 30 June 2015 and 30 September 2015, it received from the Chief Executive Officer and the Chief Financial Officer a declaration that, in their opinion, the financial records of the Company for the relevant financial period have been properly maintained and that the financial statements for the relevant financial period comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and the consolidated entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2015

Recommendation 4.3

Under section 250RA of the Corporations Act, the Company's auditor is required to attend the Company's annual general meeting at which the audit report is considered, and does not arrange to be represented by a person who is a suitably qualified member of the audit team that conducted the audit and is in a position to answer questions about the audit. Each year, the Company writes to the Company's auditor to inform them of the date of the Company's annual general meeting. In accordance with section 250S of the Corporations Act, at the Company's annual general meeting where the Company's auditor or their representative is at the meeting, the Chair allows a reasonable opportunity for the members as a whole at the meeting to ask the auditor (or its representative) questions relevant to the conduct of the audit; the preparation and content of the auditor's report; the accounting policies adopted by the Company in relation to the preparation of the financial statements; and the independence of the auditor in relation to the conduct of the audit. The Chair also allows a reasonable opportunity for the auditor (or their representative) to answer written questions submitted to the auditor under section 250PA of the Corporations Act.

A representative of the Company's auditor, Stanton's International attended the Company's annual general meeting held on 27 February 2015.

PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE

Recommendation 5.1

The Company has established written policies and procedures for complying with its continuous disclosure obligations under the ASX Listing Rules. A summary of the Company's *Policy on Continuous Disclosure and Compliance Procedures* are disclosed on the Company's website.

PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS

Recommendation 6.1

The Company provides information about itself and its governance to investors via its website at www.thundelarra.com as set out in its *Shareholder Communication and Investor Relations Policy*.

Recommendation 6.2

The Company has designed and implemented an investor relations program to facilitate effective two-way communication with investors. The program is set out in the Company's *Shareholder Communication and Investor Relations Policy*.

Recommendation 6.3

The Company has in place a *Shareholder Communication and Investor Relations Policy* which outlines the policies and processes that it has in place to facilitate and encourage participation at meetings of shareholders.

Recommendation 6.4

Shareholders are given the option to receive communications from, and send communications to, the Company and its share registry electronically. The contact details of the Company and its share registry are available on its website at www.thundelarra.com.au. Further, shareholders may register to receive Company information on its website.

PRINCIPLE 7 – RECOGNISE AND MANGE RISK

Recommendation 7.1

The Board has not established a separate Risk Committee. Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Risk Committee. Accordingly, the Board performs the role of Risk Committee however, the Chief Executive Officer also attends meetings of the Risk Committee by invitation. Although the Board has not established a separate Risk Committee, it has adopted a Risk Committee Charter. When the Board convenes as the Risk Committee it carries out those functions which are delegated to it in the Company's Risk Committee Charter. The Board deals with any conflicts of interest that may occur when convening in the capacity of the Risk Committee by ensuring that the director with conflicting interests is not party to the relevant discussions.

Details of director attendance at meetings of the full Board, in its capacity as the Risk Committee, during the Reporting Period, are set out in a table in the Directors' Report on page 27 of the Company's 2015 Annual Report.

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2015

The full Board did not officially convene as a Risk Committee during the Reporting period, however risk-related discussions occurred from time to time during the year as required.

Recommendation 7.2

The full Board in its capacity as the Risk Committee reviews the Company's risk management framework annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the Company faces and to ensure that the Company is operating within the risk appetite set by the Board. The Board carried out these reviews during the Reporting Period.

Recommendation 7.3

The Company does not have an internal audit function. To evaluate and continually improve the effectiveness of the Company's risk management and internal control processes, the Board relies on ongoing reporting and discussion of the management of material business risks as outlined in the Company's *Risk Management Policy*.

Recommendation 7.4

As the Company is not in production nor has any major operations, the Company has not identified any material exposure to any economic, environmental and/or social sustainability risks.

Using its risk management framework, the Board has identified the following risk categories – liquidity, strategic risk, operational, environmental, compliance, human capital, workplace, health and safety, financial reporting, market and commodity related.

PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY

Recommendation 8.1

The Board has established a Remuneration Committee. The members of the Remuneration Committee are the Company's two non-executive directors, Malcolm Randall (Chair) and Philip Crabb. The Remuneration Committee is not structured in compliance with Recommendation 4.1 as it comprises only two members. However, the Board considers it appropriate that the Remuneration Committee comprise the Company's two non-executive directors, one of whom is independent and the committee is chaired by an independent director who is not also Chair of the Board.

Details of director attendance at Remuneration Committee meetings during the Reporting Period are set out in a table in the Directors' Report on page 27 of the Company's 2015 Annual Report.

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

Recommendation 8.2

Details of remuneration, including the Company's policy on remuneration, are contained in the "Remuneration Report" which forms part of the Directors' Report and commences at page 18 of the Company's 2015 Annual Report. The Company has not adopted a policy regarding the deferral of performance-based remuneration and the reduction, cancellation or clawback of the performance-based remuneration in the event of serious misconduct or a material misstatement in the Company's financial statements as it does not currently pay performance based remuneration.

Recommendation 8.3

The Company's Remuneration Committee Charter includes a statement of the Company's policy on prohibiting participants in the Company's Employee Share Option Plan (Plan) entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the Plan.

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 2015.

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 \$3,696,239 (2014 – loss \$2,250,146).

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 2015 financial statements:

Acquisition of Red Dragon Mines NL

On the 15 October 2015 the Company announced that it had executed a Share Purchase Agreement with the Key Shareholders of Red Dragon Mines NL (Red Dragon) for the Company to acquire all of the issued shares of Red Dragon, subject to shareholder approval. Red Dragon has a portfolio of attractive gold tenements in Western Australia that the Company believes offer excellent exploration potential for new greenfields discoveries.

Expiry of Options

1,150,000 unquoted employee options exercisable at 9 cents each expired on 31 October 2015.

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

DIRECTORS' REPORT

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 Limited	Parent entity
Element 92 Pty Ltd	100% owned controlled entity
Trilogy Metals Limited ⁽¹⁾	-

Note 1 – Trilogy Metals Limited was voluntarily deregistered on 31 May 2015.

INFORMATION ON DIRECTORS

PHILIP G CRABB	Non-Executive Chairman				
Qualifications	<i>FAusIMM, MAICD</i>				
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 46 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.				
Interest in Shares and Options at the date of this report	<table> <tr> <td>49,196,493</td><td>Fully paid ordinary shares.</td></tr> <tr> <td>1,000,000</td><td>Unquoted options expiring 27 February 2016 exercisable at 84 cents each.</td></tr> </table>	49,196,493	Fully paid ordinary shares.	1,000,000	Unquoted options expiring 27 February 2016 exercisable at 84 cents each.
49,196,493	Fully paid ordinary shares.				
1,000,000	Unquoted options expiring 27 February 2016 exercisable at 84 cents each.				

MALCOLM R J RANDALL	Non-Executive Director								
Qualifications	<i>B.Applied Chem, FAICD</i>								
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 20 years with the Rio Tinto group of companies. His experience extends over a broad range of commodities including iron ore, diamonds, base metals, coal, uranium, and industrial minerals both in Australia and internationally. 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.								
Interest in Shares and Options at the date of this report	<table> <tr> <td>1,009,191</td><td>Fully paid ordinary shares.</td></tr> <tr> <td>750,000</td><td>Unquoted options expiring 27 February 2016 exercisable at 84 cents each.</td></tr> <tr> <td>500,000</td><td>Unquoted options expiring 28 February 2017 exercisable at 23 cents each.</td></tr> <tr> <td>1,500,000</td><td>Unquoted options expiring 28 February 2019 exercisable at 6 cents each.</td></tr> </table>	1,009,191	Fully paid ordinary shares.	750,000	Unquoted options expiring 27 February 2016 exercisable at 84 cents each.	500,000	Unquoted options expiring 28 February 2017 exercisable at 23 cents each.	1,500,000	Unquoted options expiring 28 February 2019 exercisable at 6 cents each.
1,009,191	Fully paid ordinary shares.								
750,000	Unquoted options expiring 27 February 2016 exercisable at 84 cents each.								
500,000	Unquoted options expiring 28 February 2017 exercisable at 23 cents each.								
1,500,000	Unquoted options expiring 28 February 2019 exercisable at 6 cents each.								

DIRECTORS' REPORT

FRANK DEMARTE	Executive Director								
Qualifications	<i>BBus, FGIA, FAICD</i>								
Experience and Expertise	<p>Mr DeMarte has over 31 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.</p> <p>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.</p>								
Other current Directorships	Royal Resources Limited (since 2004).								
Former Directorships in last three years	None.								
Special Responsibilities	<p>Member of Nomination Committee from December 2004.</p> <p>Member of Remuneration Committee from April 2013.</p> <p>Chief Financial Officer.</p> <p>Company Secretary.</p>								
Interest in Shares and Options at the date of this report	<table> <tr> <td>3,905,882</td><td>Ordinary shares.</td></tr> <tr> <td>1,500,000</td><td>Unquoted options expiring 27 February 2016 exercisable at 84 cents each.</td></tr> <tr> <td>500,000</td><td>Unquoted options expiring 28 February 2017 exercisable at 23 cents each.</td></tr> <tr> <td>5,000,000</td><td>Unquoted options expiring 28 February 2019 exercisable at 6 cents each.</td></tr> </table>	3,905,882	Ordinary shares.	1,500,000	Unquoted options expiring 27 February 2016 exercisable at 84 cents each.	500,000	Unquoted options expiring 28 February 2017 exercisable at 23 cents each.	5,000,000	Unquoted options expiring 28 February 2019 exercisable at 6 cents each.
3,905,882	Ordinary shares.								
1,500,000	Unquoted options expiring 27 February 2016 exercisable at 84 cents each.								
500,000	Unquoted options expiring 28 February 2017 exercisable at 23 cents each.								
5,000,000	Unquoted options expiring 28 February 2019 exercisable at 6 cents each.								

COMPANY SECRETARY

FRANK DEMARTE *BBus, FGIA, FAICD*

The Company Secretary is Mr Frank DeMarte. Mr DeMarte has over 31 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 23,900,000 unissued ordinary shares of the Company under option as follows:

Date options granted	Expiry date	Exercise price of options	Number of options
28 February 2011	27 February 2016	\$0.84	6,750,000
7 March 2012	28 February 2017	\$0.23	2,000,000
28 February 2014	28 February 2019	\$0.06	11,500,000
18 March 2014	18 March 2017	\$0.06	500,000
4 September 2015	4 September 2018	\$0.08	3,150,000

SHARES ISSUED AS A RESULT OF THE EXERCISE OF OPTIONS

During the financial year;

- (1) 130,000 options exercisable at \$0.09 were exercised;
- (2) 6,750,000 options exercisable at \$0.64 expired on 25 February 2015; and
- (3) 1,000,000 options exercisable at \$0.45 expired on 16 April 2015.

DIRECTORS' REPORT

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

REMUNERATION REPORT (AUDITED)

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

(a) Details of Key Management Personnel

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

Philip G Crabb	Non-Executive Chairman
Frank DeMarte	Executive Director
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.

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.

DIRECTORS' REPORT

REMUNERATION Report (Audited) (continued)

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

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

Each non-executive director receives \$49,000 per annum effective from 1 July 2014 (\$28,000 per annum prior to 1 July 2014), 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 \$62,000 per annum exclusive of any superannuation (\$31,846 per annum prior to 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 2015 is detailed as per the disclosures on page 21.

(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.

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 (\$175,000 per annum prior to 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 (\$162,500 per annum prior to 1 July 2014).

(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.

DIRECTORS' REPORT

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 2015

		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	2015	200,000	(5,681)	6,336	19,000	-	-	219,655	-
	2014	162,500	22,146	7,466	15,156	9,774	76,538	293,580	26%
Non-Executive Directors									
Malcolm R J Randall	2015	49,000	-	-	4,655	-	-	53,655	-
	2014	28,000	-	-	2,261	-	22,962	53,583	43%
Philip G Crabb	2015	62,000	-	1,409	5,890	-	-	69,299	-
	2014	31,846	-	3,105	2,985	-	22,962	60,898	38%
Executive									
Antony L Lofthouse	2015	250,000	(1,331)	10,321	23,750	-	76,380	359,120	21%
	2014	175,000	16,760	9,648	16,344	-	81,881	299,633	27%
Totals	2015	561,000	(7,012)	18,066	53,295	-	76,380	701,720	11%
	2014	397,346	38,906	20,219	37,106	9,774	204,343	707,694	29%

Note 1: In respect to other, the amounts relate to car parking and life insurance benefits for the year.

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 \$200,000 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 \$250,000 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 2015	Balance 1 October 2014	Granted as Remuneration	On Exercise of Options	Net Change Other	Balance 30 September 2015
P G Crabb	49,056,493	-	-	140,000	49,196,493
F DeMarte	3,905,882	-	-	-	3,905,882
M R J Randall	1,009,191	-	-	-	1,009,191
A L Lofthouse	3,041,176	-	-	-	3,041,176
Total	57,012,742	-	-	140,000	57,152,742

30 September 2014	Balance 1 October 2013	Granted as Remuneration	On Exercise of Options	Net Change Other	Balance 30 September 2014
P G Crabb	33,350,611	-	1,500,000	14,205,882	49,056,493
F DeMarte	3,905,882	-	-	-	3,905,882
M R J Randall	1,009,191	-	-	-	1,009,191
A L Lofthouse	2,982,352	-	-	58,824	3,041,176
P G Crabb	41,248,036	-	1,500,000	14,264,706	57,012,742

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 2015.

30 September 2015	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	-	-	-	-	-	-	-	-
F DeMarte	-	-	-	-	-	-	-	-
M R J Randall	-	-	-	-	-	-	-	-
A L Lofthouse	2,000,000	2,000,000	4/09/15	\$0.03819	\$0.08	4/09/18	4/09/15	4/09/18
Total	2,000,000	2,000,000						

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						

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (continued)

(f) Shares Issued on exercise of compensation options

No shares were issued to key management personnel on exercise of compensation options for the year ended 30 September 2015. (2014: 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 2015.

30 September 2015	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	-	-	-	-
A L Lofthouse	76,380	-	-	21%
Total	76,380	-	-	21%

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.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (continued)

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%

1,500,000 shares were issued to a director on exercise of compensation options for the year ended 30 September 2014.

(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	28/02/11	\$0.84	\$0.208	2016
F DeMarte	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	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	5,000,000	28/02/14	\$0.06	\$0.0153	2019
	2,000,000	4/09/15	\$0.08	\$0.03819	2018

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (continued)

(i) Loans to key management personnel

There were no loans made to key management personnel during the year ended 30 September 2015.

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

During the year there were no other transactions with key management personnel and their related parties.

(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 2015	Balance at beginning of period 1 October 2014	Granted as Remuneration	Options Exercised	Options Expired	Net Change Other	Balance at end of period 30 September 2015	Total	Exercisable	Not Exercisable
F DeMarte	8,500,000	-	-	(1,500,000)	-	7,000,000	7,000,000	7,000,000	-
M R J Randall	3,500,000	-	-	(750,000)	-	2,750,000	2,750,000	2,750,000	-
P G Crabb	2,000,000	-	-	(1,000,000)	-	1,000,000	1,000,000	1,000,000	-
A L Lofthouse	6,000,000	2,000,000	-	(1,000,000)	-	7,000,000	7,000,000	7,000,000	-
Total	20,000,000	2,000,000	-	(4,250,000)	-	17,750,000	17,750,000	17,750,000	-

							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	-

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:

Name	Board of Directors' Meetings		Audit Committee Meetings		Remuneration Committee Meetings		Nomination Committee Meetings	
	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	-	-	-	-
F DeMarte (1)	6	6	2	2	-	-	-	-
P G Crabb	6	6	2	2	-	-	-	-

Note 1: F DeMarte, who is the Company's Company Secretary and 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) P G Crabb	M J Randall (C) P G Crabb	M J Randall (C) 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, Frank DeMarte 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 2015 has been received and can be found on page 68.

Signed in accordance with a resolution of the directors.



FRANK DEMARTE
Executive Director

Perth, Western Australia
3 December 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2015

		Notes	Consolidated	
			2015	2014
			\$	\$
REVENUE FROM CONTINUING OPERATIONS				
Revenue	4(a)		195,719	70,012
Other income	4(b)		353,312	1,444,481
			549,031	1,514,493
EXPENDITURE				
Amortisation and depreciation			(57,846)	(59,200)
Employee benefits expense	4(c)		(120,298)	(215,218)
Exploration expenditure written off or impaired	4(d)		(2,764,111)	(2,295,504)
Administration expenses	4(e)		(1,303,015)	(1,194,717)
Profit/(Loss) from continuing operations before income tax expense			(3,696,239)	(2,250,146)
Income tax (expense)/benefit	5		-	-
Net profit/(loss) from continuing operations for the year			(3,696,239)	(2,250,146)
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			(3,696,239)	(2,250,146)
Net Profit/(Loss) attributable to members of the parent entity			(3,696,239)	(2,250,146)
Comprehensive income/(loss) attributable to members of the parent entity			(3,696,239)	(2,250,146)
Profit/(loss) per share attributable to ordinary equity holders:				
Basic earnings/(loss) (cents per share)	7		(1.16)	(0.82)
Diluted earnings/(loss) (cents per share)	7		(1.16)	(0.82)

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 2015**

	Notes	Consolidated	
		2015	2014
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6(b)	4,004,173	7,326,696
Trade and other receivables	8	55,415	60,700
Other financial assets	9	128,132	173,380
TOTAL CURRENT ASSETS		4,187,720	7,560,776
NON-CURRENT ASSETS			
Other receivables	8	374,706	457,272
Property, plant and equipment	10	188,325	206,734
Exploration expenditure	12(a)	-	-
Mine development	12(b)	-	-
Deferred tax asset	13	-	-
Intangible asset	14	-	-
TOTAL NON-CURRENT ASSETS		563,031	664,006
TOTAL ASSETS		4,750,751	8,224,782
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	15	239,686	180,159
Provisions	16	259,373	268,689
TOTAL CURRENT LIABILITIES		499,059	448,848
NON-CURRENT LIABILITIES			
Provisions	16	-	-
Deferred tax liability	17	-	-
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		499,059	448,848
NET ASSETS		4,251,692	7,775,934
EQUITY			
Contributed equity	18(a)	52,049,324	51,997,625
Reserves	18(d)	7,686,038	7,565,740
Accumulated losses	19	(55,483,670)	(51,787,431)
TOTAL EQUITY		4,251,692	7,775,934

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 2015**

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

CONSOLIDATED	Notes	Contributed Equity \$	Reserves \$	Accumulated Losses \$	Total \$
Balance at 1 October 2014		51,997,625	7,565,740	(51,787,431)	7,775,934
Total comprehensive income for the year					
Profit/(Loss) for the year		-	-	(3,696,239)	(3,696,239)
Total comprehensive income/(loss) for the year		-	-	(3,696,239)	(3,696,239)
Transactions with owners recorded directly in equity:					
Cost of share based payments	18(d)	-	120,298	-	120,298
Shares issued during the year	18(b)	51,699	-	-	51,699
Transaction costs	18(b)	-	-	-	-
		51,699	120,298	-	171,997
Balance at 30 September 2015		52,049,324	7,686,038	(55,483,670)	4,251,692

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 2015**

	Notes	Consolidated	
		2015	2014
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from government grant		-	
Other revenue received		353,312	73,700
Payment to suppliers		(1,220,882)	(939,993)
Interest paid		-	-
Interest received		202,575	48,691
Net cash inflow/(outflow) from operating activities	6(a)	(664,995)	(817,602)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for tenements		-	(60,000)
Payments for purchase of plant, equipment and vehicles		(39,437)	(57,501)
Proceeds from sale of tenements		-	1,431,764
Proceeds from sale of plant, equipment and vehicles		-	23,333
Placement of security deposits		(2,500)	(21,329)
Redemption of security deposits		85,066	352,689
Exploration and evaluation expenditure		(2,712,357)	(2,257,297)
Net cash inflow/(outflow) from investing activities		(2,669,228)	(588,341)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from issue of shares and options		11,700	8,109,300
Share issue costs		-	(448,853)
Proceeds from borrowings		-	200,000
Net cash inflow from financing activities		11,700	7,860,447
Net increase/(decrease) in cash and cash equivalents held		(3,322,523)	6,454,504
Cash and cash equivalents at the beginning of the financial year		7,326,696	872,191
Cash and cash equivalents at the end of the financial year	6(b)	4,004,173	7,326,695

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2015

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 2015 was authorised for issue in accordance with a resolution of the directors on 2 December 2015. 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 \$3,696,239 for the year ended 30 September 2015. Total exploration expenditure recognised in the year is \$2,764,111. The group had cash assets of \$4,004,173 at 30 September 2015 and investments held for trading and available for sale valued at \$128,132 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 2015 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 by the Group

The group has applied the following standards and amendments for first time in their annual reporting period commencing 1 October 2014:

- **Investment Entities – Amendments to AASB 10, AASB 12 and AASB 127**

These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under AASB 10 Consolidated Financial Statements and must be applied retrospectively, subject to certain transition relief. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. These amendments have no impact on the Group, since none of the entities in the Group qualifies to be an investment entity under AASB 10.

- **AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets**

The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal. This amendment has resulted in increased disclosures in the Group's financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) New accounting standards and interpretations adopted by the Group (continued)

▪ **Offsetting Financial Assets and Financial Liabilities - Amendments to AASB 132**

These amendments clarify the meaning of '*currently has a legally enforceable right to set-off*' and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting and is applied retrospectively. These amendments have no impact on the Group, since none of the entities in the Group has any offsetting arrangements

▪ **AASB 2013-4 Amendments to Australian Accounting Standards - Novation of Derivatives and Continuation of Hedge Accounting**

These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria and retrospective application is required. These amendments have no impact on the Group as the Group has not novated any of its derivatives during the current or prior periods.

▪ **Interpretation 21 Accounting for Levies**

Interpretation 21 clarifies that an entity recognises a liability for a levy when the activity that triggers the payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. Retrospective application is required for AASB Interpretation 21. This interpretation has no impact on the Group as it has applied the recognition principles under AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* consistent with the requirements of AASB Interpretation 21 in prior years.

▪ **AASB 2014-1 Amendments to Australian Accounting Standards**

The adoption AASB 2014-1 has required additional disclosures in our segment note. Other than that, the adoption of these standards did not have any impact on the current period or any prior period and is not likely to affect future periods.

(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

FOR THE YEAR ENDED 30 SEPTEMBER 2015

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

FOR THE YEAR ENDED 30 SEPTEMBER 2015

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)

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.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the Group's financial instruments 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 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15'	1 January 2017	30 June 2018
AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	30 June 2017
AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 January 2016	30 June 2017
AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	1 January 2016	30 June 2017
AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'	1 July 2015	30 June 2016

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2015

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

FOR THE YEAR ENDED 30 SEPTEMBER 2015

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

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

Mine rehabilitation provision

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

Impairment of assets

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2015

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

FOR THE YEAR ENDED 30 SEPTEMBER 2015

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 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.

(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

FOR THE YEAR ENDED 30 SEPTEMBER 2015

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 2015 and 2014 the Group chose not to carry forward the value of exploration expenditure and fully provided for the carrying value of all exploration properties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2015

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 and annual leave*

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

(ii) *Long service leave*

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2015

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

FOR THE YEAR ENDED 30 SEPTEMBER 2015

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 exists, 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 through 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

FOR THE YEAR ENDED 30 SEPTEMBER 2015

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 award 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

FOR THE YEAR ENDED 30 SEPTEMBER 2015

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

FOR THE YEAR ENDED 30 SEPTEMBER 2015

		Consolidated	
		2015	2014
		\$	\$
4. REVENUE AND EXPENSES			
(a) Revenue			
Interest income from non related parties		195,719	70,012
(b) Other Revenue			
Net gain on disposal of joint venture interests (4(f))		-	1,365,223
Net gain on disposal of fixed assets (4(g))		-	5,558
Research and development – tax refund		323,766	-
Other income		29,546	73,700
		<u>353,312</u>	<u>1,444,481</u>
Total Revenues		<u>549,031</u>	<u>1,514,493</u>
(c) Employee Benefits Expenses			
Share based payments expense		<u>(120,298)</u>	<u>(215,218)</u>
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.			
(d) Exploration Expenditure Written Off			
Exploration expenditure written-off or impaired		<u>(2,764,111)</u>	<u>(2,295,504)</u>
Included in exploration expenditure written off in 2014, 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		(7,386)	(14,635)
Office and miscellaneous		(209,010)	(225,872)
Professional fees		(104,251)	(51,820)
Regulatory fees		(67,624)	(73,430)
Shareholder and investor relations		(187,843)	(119,305)
Employee expenses		(670,315)	(543,439)
Decrease in market value of investments		(45,248)	(143,951)
Loss on disposal of property, plant and equipment		-	(2,052)
Other operating expenses		<u>(11,337)</u>	<u>(20,213)</u>
		<u>(1,303,014)</u>	<u>(1,194,717)</u>
(f) Net Gain on Disposal of Joint Venture Interests			
Disposal of joint venture interests		-	1,450,000
Carrying amounts of joint venture interests sold		-	(84,777)
Net gain on disposal		<u>-</u>	<u>1,365,223</u>
(g) 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		<u>-</u>	<u>5,558</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2015

5. INCOME TAX

(a) Numerical reconciliation of income tax expense to prima facie tax payable

	2015 \$	2014 \$
Profit/(Loss) from ordinary activities before income tax expense	(3,696,239)	(2,250,148)
Prima facie tax benefit on loss from ordinary activities at 30% (2014 – 30%)	(1,108,872)	(675,044)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Entertainment and other	1,518	2009
Share based payments	34,097	64,565
	(1,073,257)	(608,470)
Movement in current year temporary differences	(66,594)	(672,230)
Tax effect of current year tax losses & non-recognition of previously recognised deferred tax assets	1,139,851	1,280,700
Tax effect of prior year research and development refund	-	-
Income tax expense/(benefit)	-	-

(b) Unrecognised temporary differences Deferred Tax Assets (30%)

Impairment and depreciation of assets in joint venture	2,082	1,915
Prepayments	5,064	8,191
Investments	-	354,966
Capital raising, formation and legal costs	98,375	138,773
Provisions for expenses	88,434	89,228
Carry forward revenue losses	11,364,850	10,211,414
	11,558,805	10,818,073
Deferred Tax Liabilities (30%)		
Unearned revenue	5,726	8,099
	5,726	8,099
Net Deferred Tax Asset (Liability)	11,553,079	10,809,974

The potential future tax benefit arising from accumulated tax losses in the Group have not been recognized in 2015 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

FOR THE YEAR ENDED 30 SEPTEMBER 2015

Consolidated	
2015	2014
\$	\$

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	(3,696,239)	(2,250,146)
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Non cash flows in operating loss

Exploration costs written-off or provided	2,764,111	2,295,504
Amortisation and depreciation	57,846	59,200
Share based payments	120,298	215,218
Net (Increase)/ decrease in fair value of investments	45,248	143,951
(Profit)/Loss on sale of plant, equipment and vehicles	-	(5,558)
(Profit)/Loss on sale of joint venture interests	-	(1,365,223)
(Profit)/Loss on sale of investments	-	2,052

Change in assets and liabilities

(Decrease)/increase in trade creditors and accruals	47,772	(46,891)
(Increase)/decrease in receivables	5,285	120,992
(Decrease)/increase in provisions	(9,316)	13,299
Net cash outflow from operating activities	(664,995)	(817,602)

(b) Cash and cash equivalents represents:

Cash in bank and on hand	304,173	826,696
Deposits at call	3,700,000	6,500,000
	4,004,173	7,326,696

(c) Non Cash Investing Activities

Acquisition of tenements and rights by issue of shares	-	127,000
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7. EARNINGS PER SHARE

(a) Basic earnings/(loss) per share (cents per share)	(1.16)	(0.82)
(b) Diluted earnings/(loss) per share (cents per share)	(1.16)	(0.82)

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2015

		Consolidated	
		2015	2014
		\$	\$
7. EARNINGS PER SHARE (continued)			
(c) Net profit/(loss) attributable to ordinary shareholders		(3,696,239)	(2,250,146)
(d) Weighted average number of ordinary shares outstanding during the year used in the calculation:			
- basic earnings per share		319,236,939	318,823,717
- diluted earnings per share		319,236,939	318,823,717

8. TRADE AND OTHER RECEIVABLES (CURRENT)

Other receivables	36,327	34,756
Accrued income	19,088	25,944
	<u>55,415</u>	<u>60,700</u>

The amounts receivable from directors and director related entities are \$Nil (2014: \$Nil). They are unsecured interest free and have no fixed terms of repayment.

TRADE AND OTHER RECEIVABLES (NON CURRENT)

Security deposits/bonds	<u>374,706</u>	<u>457,272</u>
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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

Royal Resources Limited	(i)	48,829	100,530
Aldershot Resources Limited	(ii)	14,416	17,850
Bulletin Resources Limited	(iii)	13,500	8,500
Consolidated Zinc Limited	(iv)	1,387	1,500
Star Striker Limited	(v)	50,000	45,000
		<u>128,132</u>	<u>173,380</u>

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 2015 the Company holds the following quoted securities:

- (i) 2,872,265 (2014 – 2,872,265) fully paid ordinary shares in Royal Resources Limited;
- (ii) 700,000 (2014 – 3,500,000) fully paid ordinary shares in Aldershot Resources Ltd, a Canadian company listed on the TSX Venture Exchange. Aldershot completed a consolidation of capital on the basis of 1 new share for every 5 existing shares effective 27 July 2015 ;
- (iii) 500,000 (2014 – 500,000) fully paid ordinary shares in Bulletin Resources Limited;
- (iv) 37,500 (2014– 750,000) fully paid ordinary shares in Consolidated Zinc Limited. Newra Resources limited changed its name to Consolidated Zinc Limited on 23 June 2015 and completed a consolidation of capital on the basis of 1 new share for every 20 existing shares; and
- (v) 5,000,000 (2014 – 5,000,000) fully paid ordinary shares in Star Striker Limited. Resource Star Limited changed its name to Star Striker Limited on 15 September 2015.

At as at the 27 November 2015, the total market value of the quoted investments based on closing prices at that date was \$147,947.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2015

10. PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	2015	2014
	\$	\$
Plant and equipment, at cost	302,804	297,533
Less: accumulated depreciation	(249,835)	(239,980)
Less: impairment loss	-	-
	<u>52,969</u>	<u>57,553</u>
Motor vehicles, at cost	267,912	267,912
Less: accumulated depreciation	(232,617)	(218,061)
Less: impairment loss	-	-
	<u>35,295</u>	<u>49,851</u>
Office equipment, at cost	297,732	269,544
Less: accumulated depreciation	(227,525)	(204,376)
Less: impairment loss	-	-
	<u>70,207</u>	<u>65,168</u>
Plant and equipment (NT), at cost	73,708	73,708
Less: accumulated depreciation	(43,854)	(39,546)
Less: impairment loss	-	-
	<u>29,854</u>	<u>34,162</u>
Total property, plant and equipment	<u>188,325</u>	<u>206,734</u>

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:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2015

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

Consolidated	
2015	2014
\$	\$
Plant and equipment	
Carrying amount at 1 October 2014	57,553
Additions	9,305
Disposals	-
Depreciation	(13,889)
Carrying amount at 30 September 2015	52,969
Motor vehicles	
Carrying amount at 1 October 2014	49,851
Additions	-
Disposals	-
Depreciation	(14,556)
Carrying amount at 30 September 2015	35,295
Office equipment	
Carrying amount at 1 October 2014	65,168
Additions	30,132
Disposals	-
Depreciation	(25,093)
Carrying amount at 30 September 2015	70,207
Plant and equipment (NT)	
Carrying amount at 1 October 2014	34,162
Additions	-
Disposals	-
Depreciation	(4,308)
Carrying amount at 30 September 2015	29,854
Total carrying amount at 30 September 2015	188,325

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2015

2015	2014
\$	\$

11. PARENT ENTITY DISCLOSURES

STATEMENT OF FINANCIAL POSITION

ASSETS

CURRENT ASSETS	4,162,359	7,536,707
NON-CURRENT ASSETS	300,825	359,734
TOTAL ASSETS	4,463,184	7,896,441

LIABILITIES

CURRENT LIABILITIES	495,589	444,544
NON-CURRENT LIABILITIES	-	-
TOTAL LIABILITIES	495,589	444,544
NET ASSETS	3,967,595	7,451,897

EQUITY

Contributed equity	52,049,324	51,997,625
Reserves	7,686,038	7,565,740
Accumulated losses	(55,767,767)	(52,111,468)
TOTAL EQUITY	3,967,595	7,451,897

PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Net profit/ (loss) from continuing operations for the year	(3,656,299)	(2,261,745)
Total Comprehensive income/(loss) for the year	(3,656,299)	(2,261,745)

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
Provision for write down of investment	-	(1)
	-	-

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

(a) Exploration and evaluation

At 1 October 2014	-	-
Expenditure incurred during the year	2,764,111	2,295,504
Expenditure provided or written off during the year (note 4(d))	(2,764,111)	(2,295,504)
At 30 September 2015	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2015

		Consolidated	
		2015	2014
		\$	\$
12. EXPLORATION, EVALUATION AND DEVELOPMENT EXPENDITURE (NON-CURRENT) (continued)			
(b) Mine properties and development			
At 1 October 2014	-	60,527	
Expenditure incurred during the year	-	-	
Disposals during the year	-	(60,527)	
Expenditure provided or written off during the year	-	-	
At 30 September 2015	-	-	
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)			
Deferred tax asset (Note 5)	-	-	
14. INTANGIBLE ASSET			
Software and Licences			
At 1 October 2014	-	1,570	
Additions	-	-	
Disposals	-	-	
Less: amortisation	-	(1,570)	
At 30 September 2015	-	-	
15. TRADE AND OTHER PAYABLES (CURRENT)			
Trade payables and accruals	239,686	180,159	
16. PROVISIONS (CURRENT)			
Employee entitlements	259,373	268,689	
Number of employees at year end	8	8	
PROVISIONS (NON-CURRENT)			
Employee entitlements	-	-	
Provision for rehabilitation	-	-	
	-	-	
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

FOR THE YEAR ENDED 30 SEPTEMBER 2015

Consolidated	
2015	2014
\$	\$

17. DEFERRED TAX LIABILITY (NON-CURRENT)

Deferred tax liability (Note 5)

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18. CONTRIBUTED EQUITY AND RESERVES

Number of Shares		Consolidated	
2015	2014	2015	2014
		\$	\$

(a) Issued and paid up capital

Ordinary shares

319,388,499	318,823,717	52,049,324	51,997,625
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(b) Movement in ordinary shares on issue

	Number of Shares	Issue Price \$	Total \$
1/10/13 Opening balance	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
17/11/14 Exploration services	434,782	0.092	39,999
23/06/15 Exercise of unquoted options	130,000	0.09	11,700
Share issue costs	-		-
Balance at 30 September 2015	319,388,499		52,049,324

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2015

18. CONTRIBUTED EQUITY AND RESERVES (continued)

(c) Movement in options on issue

The following table summarises the movement in options on issue for the year ended 30 September 2015

30 September 2015	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 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 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	1,280,000	-	(130,000)	-	1,150,000
Unquoted options exercisable at 6 cents each on or before 28 February 2019	11,500,000	-	-	-	11,500,000
Unquoted options exercisable at 6 cents each on or before 18 March 2017	500,000	-	-	-	500,000
Unquoted options exercisable at 8 cents each on or before 4 September 2018	-	3,150,000	-	-	3,150,000
Total	29,780,000	3,150,000	(130,000)	(7,750,000)	25,050,000

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

FOR THE YEAR ENDED 30 SEPTEMBER 2015

18. CONTRIBUTED EQUITY AND RESERVES (continued)

(d) Reserves

Share based payments reserve

	2015 \$	2014 \$
Balance at beginning of year	7,565,740	7,350,522
Share based payments	120,298	215,218
Balance at end of year	7,686,038	7,565,740

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 2015.

Share based payments reserve

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

19. ACCUMULATED LOSSES

	2015 \$	2014 \$
Balance at the beginning of the year	(51,787,431)	(49,537,285)
Net profit/(loss) attributable to members of Thundelarra Limited	(3,696,239)	(2,250,146)
Balance at the end of the financial year	(55,483,670)	(51,787,431)

20. COMMITMENTS AND CONTINGENCIES

(i) Exploration commitments

	2015 \$	2014 \$
Within one year	375,262	1,021,582
Later than one year but not later than five years	457,102	272,464
Later than five years	236,731	259,254
	1,069,095	1,533,300

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:-

Office rental

	2015 \$	2014 \$
Within one year	110,398	84,887
Later than one year but not later than five years	85,032	-
Later than five years	-	-
	195,430	84,887

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2015

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 2017. 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 2015 the Group has outstanding \$100,000 (2014: \$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 2015	WAEP 2015 \$	Number 2014	WAEP 2014 \$
Outstanding at the beginning of the year	29,780,000	0.39	24,825,000	0.50
Granted during the year	3,150,000	0.08	13,750,000	0.06
Lapsed during the year	(7,750,000)	0.62	(5,975,000)	0.23
Exercised during the year	(130,000)	0.09	(2,820,000)	0.07
Outstanding at the end of the year	25,050,000	0.29	29,780,000	0.39
Exercisable at the end of the year	25,050,000	0.29	29,780,000	0.39

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2015

21. SHARE BASED PAYMENTS (continued)

The outstanding balance as at 30 September 2015 is represented by:

Date options granted	Expiry date	Exercise price of options	Number of options
28 February 2011	27 February 2016	\$0.84	6,750,000
7 March 2012	28 February 2017	\$0.23	2,000,000
7 November 2012	31 October 2015	\$0.09	1,150,000
28 February 2014	28 February 2019	\$0.06	11,500,000
18 March 2014	18 March 2017	\$0.06	500,000
4 September 2015	4 September 2018	\$0.08	3,150,000
			25,050,000

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 2015 is 1.23 years (2014 – 2.39 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 (2014 - \$0.06 to \$0.84).

(e) Weighted average fair value

The weighted average fair value of options granted during the year was \$0.08 (2014 - \$0.04)

(f) Options pricing model

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

The following table lists the inputs to the model used for the year ended 30 September 2015.

Number of Options	3,150,000
Option exercise price (cents)	\$0.08
Expiry date	4 September 2018
Expected life of the option (years)	3 years
Vesting period (months)	Nil
Dividend yield (%)	Nil
Expected volatility (%)	98.64%
Risk-free interest rate (%)	1.77%
Discount for unquoted security	-
Closing share price at grant date (cents)	\$0.068
Vesting date	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2015

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	-	-

Consolidated	
2015	2014
\$	\$

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	38,346	34,080
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23. RELATED PARTY DISCLOSURES

(a) Directors

Fees received in the normal course of business in 2015 for office rental, administrative and employees services totalling \$Nil (2014 - \$Nil) 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 2015 for employees services totalling \$Nil (2014 - \$Nil) were paid from companies of which P G Crabb, F DeMarte and M R J Randall are directors and shareholders.

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

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

(c) Subsidiaries

The Group consists of the Parent and its wholly owned controlled entities set out in Notes 11 and 24.

Transactions between the Parent and its wholly owned controlled entities during the year ended 30 September 2015 consists of loans repaid to the Parent totalling \$Nil (2014: \$221,975) and advanced by the Parent totalling \$1,085,907 (2014: \$15,387,415). The loans outstanding at 30 September 2015 total \$16,302,492 (2014: \$1,113). 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	2015 %	2014 %	2015 \$	2014 \$
Element 92 Pty Ltd	Australia	100	100	-	-
Trilogy Metals Limited (1)	Australia	-	100	-	-

Note 1: Trilogy Metals Limited was voluntarily deregistered by the Company on 31 May 2015.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2015

25. INTEREST IN JOINT VENTURES

The Company has interests in several joint ventures as follows:

(a) Joint venture details

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 2015 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 2015	Percentage Interest 2014	Expenditure Capitalised 2015 \$	Expenditure Capitalised 2014 \$
Breakaway JV	Base metals	20%	20%	-	-
Red Bore JV (1)	Base metals	90%	90%	-	-
Curara Well JV (2)	Base metals	90%	90%	-	-

Note 1 - The Red Bore joint venture was formed on 21 March 2014.

Note 2 - The Curara Well joint venture was formed on 21 March 2014.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2015

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	2015 \$	2014 \$	2015 \$	2014 \$	2015 \$	2014 \$	2015 \$	2014 \$
Financial Assets								
Cash and cash equivalents	304,173	826,696	3,700,000	6,500,000	-		4,004,173	7,326,696
Trade and other receivables	-	-	374,706	457,272	55,415	60,700	430,121	517,972
Other financial assets	-	-	-	-	128,132	173,380	128,132	173,380
Total Financial Assets	304,173	826,696	4,074,706	6,957,272	183,547	234,080	4,562,426	8,018,048
Financial Liabilities								
Trade and other payables	-	-	-	-	(239,686)	(180,159)	(239,686)	(180,159)
Total Financial Liabilities	-	-	-	-	(239,686)	(180,159)	(239,686)	(180,159)
Net Financial Assets/(Liabilities)	304,173	826,696	4,074,706	6,957,272	(56,139)	53,921	4,322,740	7,837,889
Weighted Average Interest Rate	0%	1.50%	2.87%	3.28%				

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2015

26. FINANCIAL INSTRUMENTS (continued)

Reconciliation of net financial assets/ (liabilities) to net assets	Consolidated	
	2015 \$	2014 \$
Net Financial Assets/(Liabilities) as above	4,322,740	7,791,458
Property, plant and equipment	188,325	206,734
Exploration & evaluation expenditure	-	-
Intangibles	-	-
Provisions	(259,373)	(268,689)
Net Assets per Statement of Financial Position	4,251,692	7,729,503

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 2015, the Group does not have any financial instruments subject to commodity price risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2015

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 2015, a 10% change in fair values will have the following impact on loss before tax and equity before tax.

	Consolidated	
	2015 \$	2014 \$
Loss before tax:		
Available for sale financial assets	-	
Held for trading financial assets		17,338
Equity:		
Available for sale financial assets		
Held for trading financial assets	-	17,338

(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 2015	Carrying Amount \$	Interest Rate Risk -1%		Interest Rate Risk + 1%	
		Net loss \$	Equity \$	Net loss \$	Equity \$
Financial Assets					
Cash and cash equivalents	4,004,173	(40,042)	(40,042)	40,042	40,042
Other receivables interest bearing	374,706	(3,747)	(3,747)	3,747	3,747
Totals	4,378,879	(43,789)	(43,789)	43,789	43,789

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2015

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 2015 financial report:

Acquisition of Red Dragon Mines NL

On the 15 October 2015 the Company announced that it had executed a Share Purchase Agreement with the Key Shareholders of Red Dragon Mines NL (Red Dragon) for the Company to acquire all of the issued shares of Red Dragon, subject to shareholder approval. Red Dragon has a portfolio of attractive gold tenements in Western Australia that the Company believes offer excellent exploration potential for new green fields discoveries.

Expiry of Options

1,150,000 unquoted employee options exercisable at 9 cents each expired on 31 October 2015.

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 2015 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 2015.

On behalf of the Board



FRANK DEMARTE
Executive Director

Perth, Western Australia

3 December 2015

**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 2015, 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 2015 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.

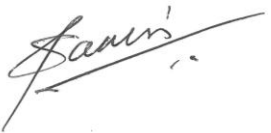
Report on the Remuneration Report

We have audited the remuneration report included in pages 18 to 26 of the directors' report for the year ended 30 September 2015. 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 2015 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
03 December 2015

03 December 2015

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 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

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



Samir R. Tirodkar

Director

ASX ADDITIONAL INFORMATION (CONTINUED)

The following information dated 14 January 2016 is required by the Listing Rules of the ASX Limited.

1. DISTRIBUTION AND NUMBER OF HOLDER OF EQUITY SECURITIES

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

Distribution	Number of Shareholders	Number of Shares
1 – 1,000	389	104,271
1,001 – 5,000	602	1,806,835
5,001 – 10,000	545	4,437,803
10,001 – 100,000	1,250	48,917,893
100,001 and over	457	282,048,863
Totals	3,246	337,315,665
Holding less than a marketable parcel	1,189	3,129,987

2. TWENTY LARGEST HOLDERS OF QUOTED SECURITIES

Ordinary shares

Holder	Shares Held	
	Number	%
1 Ragged Range Mining Pty Ltd & Associates	54,485,564	16.15
2 Mr Siat Yoon Chin	16,700,167	4.95
3 Chin Nominees Pty Ltd <Chin Nominees No. 2 S/F A/C>	12,909,983	3.83
4 Chin Nominees Pty Ltd <Chin Nominees No. 2 S/F A/C>	11,143,044	3.30
5 Norilsk Nickel Australia Pty Ltd	5,857,974	1.74
6 Custodial Services Limited <Beneficiaries Holding A/C>	4,781,395	1.42
7 BNP Paribas Noms Pty Ltd <DRP>	4,043,000	1.20
8 Grandor Pty Ltd <Mark Scott Family P/F A/C>	3,800,000	1.13
9 Mr Steven Barcham	3,578,055	1.06
10 Troca Enterprises Pty Ltd <Coulson Super A/C>	2,916,903	0.86
11 Mr John Roussis	2,739,244	0.81
12 Ms Sigrid Tittiana Gibson	2,600,000	0.77
13 Mr Philip Gerrard Berry	2,500,000	0.74
14 Gemini Holdings Pty Ltd <The DeMarte Family A/C>	2,400,936	0.71
15 Frank DeMarte	2,254,257	0.67
16 Madisons Pty Ltd <Brown Retirement Fund A/C>	2,100,000	0.62
17 Be Copymart Pty Ltd <B&E McConnell s/F A/C>	2,094,052	0.62
18 Mr David Dawson	2,000,000	0.59
19 Norvest Projects Pty Ltd	2,000,000	0.59
20 Mr Angelo Michael Levissianos	1,666,667	0.49
Total	142,571,241	42.27

3. SUBSTANTIAL SHAREHOLDERS

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

Name	Number of Shares Held	%
Ragged Range Mining Pty Ltd & Associates	54,485,564	16.15

ASX ADDITIONAL INFORMATION (CONTINUED)

4. VOTING RIGHTS

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

- (a) Ordinary Shares - On a show of hands every shareholder present in person or by proxy shall have one vote and upon a poll each share shall have one vote.
- (b) Options - The Company's options have no voting rights.

5. STOCK EXCHANGE LISTING

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

6. RESTRICTED SECURITIES

There are 6,038,382 ordinary shares on issue that have been classified by the ASX Limited, Perth as restricted securities for a period of 12 months from the 18 December 2015.

7. ON-MARKET BUY-BACK

The Company does not have a current on-market buy-back plan.

8. SCHEDULE OF TENEMENTS

Tenement Number and Type	Tenement Name	Holder/Applicant	Interest (%)	Status
WESTERN AUSTRALIA				
E80/3673	Sophie Downs	THX	100	Granted 05/02/2007
E52/2402	Curara Well	THX/WRR	90/10	Granted 11/06/2010
M52/597	Red Bore	THX/WRR	90/10	Granted 06/11/2009
E80/4834		THX/PAN	20/80	Granted 15/07/2015 - FCI
NORTHERN TERRITORY				
Ngalia Basin Project				
EL24561	Mt Wedge	E92	100	Granted 22/06/2009
EL25283	Walbiri Range	E92	100	Granted 22/06/2009
EL25334	Jabangardi Hill	E92	100	Granted 22/06/2009
Allamber Project				
EL10043	Brumby Gap	THX	100	Granted 05/09/2002
EL10167	Frances Creek	THX	100	Granted 05/09/2002
EL23506	McKeddies	THX	100	Granted 08/05/2003
EL24549	Allamber 1	E92	100	Granted 23/09/2005
EL25868	Mary River	E92	100	Granted 27/09/2007
EL27365	Mt Saunders	E92	100	Granted 12/01/2010
EL28857	Second Chance	E92	100	Granted 24/02/2012
EL29523	Mt McLachlan	E92	100	Granted 10/05/2013

ASX ADDITIONAL INFORMATION (CONTINUED)

Key to Tenement Type:

E/EL = Exploration License

M = Mining Lease

FCI = Free carried interest

Key to Parties

THX = Thundelarra Limited

E92 = Element 92 Pty Ltd

WRR = William Robert Richmond

PAN = Panoramic Resources Limited



THUNDELARRA

ABN 74 950 465 654

www.thundelarra.com.au