

## SANDFIRE TO EXPLORE RED BORE

***Thundelarra has reached agreement with Sandfire Resources NL (SFR) to accelerate exploration at Red Bore and take it to the next level.***

- ***\$1,500,000 in Sandfire shares to Thundelarra at commencement***
- ***Sandfire to spend at least \$1,500,000 on exploration over 18 months***
- ***Sandfire can earn 75% interest by defining a JORC 2012 Resource of at least 30,000t of contained copper / copper equivalent***
- ***Thundelarra to be completely free-carried to mining***
- ***Sandfire will collate all existing Thundelarra exploration data and incorporate it into its own data to define targets for testing***
- ***Subject to JV partner not exercising his pre-emptive right***

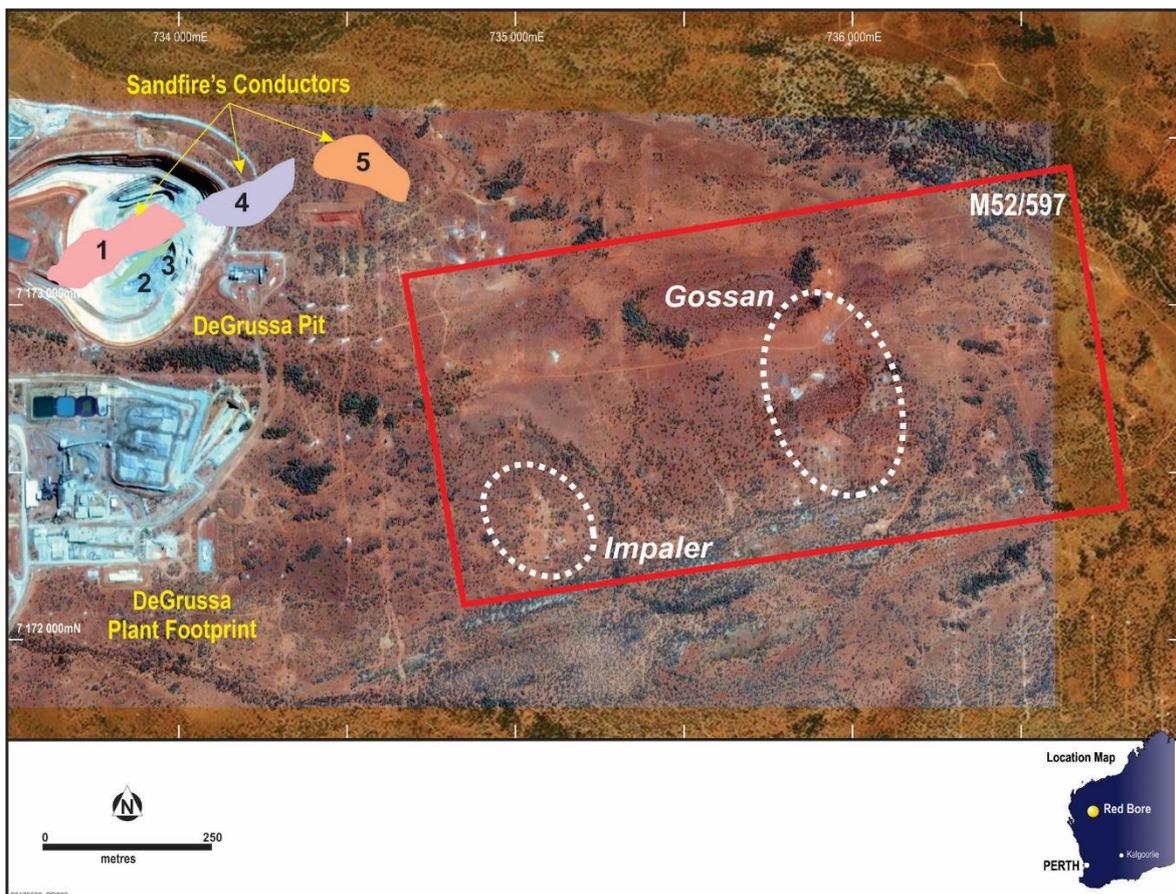


Figure 1. Location of Red Bore (M52/597) showing proximity to Sandfire's DeGrussa plant and deposits.

Thundelarra Limited (“**Thundelarra**” or “**the Company**”, THX.ASX) is pleased to announce that following an approach by Sandfire Resources NL (“**Sandfire**”) (SFR.ASX), the parties have signed a Letter Agreement for Sandfire to explore the Red Bore Project (M52/597) (“**Red Bore**”) located adjacent to Sandfire’s operating DeGrussa copper-gold mine.

Successful exploration, resulting in a JORC 2012 compliant resource of at least 30,000t of contained copper metal or copper equivalent, will earn Sandfire 75% of Red Bore.

Thundelarra’s 2016 drilling programmes validated our geological models for Red Bore and showed that the potential remains for additional VHMS mineralisation at the Project, most probably at depth. Sandfire’s involvement will greatly enhance the possibility of discovering new VHMS mineralisation at Red Bore: consolidating the geological and geophysical data over the whole area will deliver greater insights into the local structural setting and controls on mineralisation.

Red Bore is a granted Mining Licence with expiry on 05 November 2030. Currently it is held 90% by Thundelarra and 10% by Mr W Richmond and is operated under a Joint Venture Agreement.

JORC 2004 indicated and inferred resources total **1,740t Cu and 650oz Au** to ~140m from surface (refer ASX announcement of 4<sup>th</sup> May 2012). Thundelarra is not aware of any new information or data that materially affects the information included in that announcement, and all material assumptions and technical parameters underpinning that announcement continue to apply and have not materially changed.

Total exploration expenditure to date at Red Bore by Thundelarra is close to \$8 million.

## Key Terms of the Agreement

“**the Start**” means the date on which it is agreed by the parties that Thundelarra’s JV partner has not exercised his pre-emptive right (**Condition Precedent**), which is expected to be no more than 40 days after the Agreement is executed.

- Sandfire to issue \$1,500,000 of Sandfire shares to Thundelarra at an issue price equal to the SFR 5-day VWAP prior to the Start and available on satisfaction of the Condition Precedent;
- Thundelarra to provide all its Red Bore exploration data to Sandfire promptly after the Start to allow Sandfire to incorporate that data into its own exploration data around Red Bore and thus develop new interpretations and target(s) to be tested;
- Sandfire to incur a minimum of \$1,500,000 in exploration expenditure at Red Bore within 18 months of the Start;
- Sandfire may sole fund continued exploration indefinitely, subject to keeping Red Bore in good standing by meeting expenditure commitments and paying all rents, fees and similar charges;
- Upon the definition of a JORC 2012 compliant mineral resource of at least 30,000 tonnes of contained copper metal and/or copper metal equivalent, Sandfire will have earned 75% equity in Red Bore. Equity interests will then be Sandfire 75%; Thundelarra 15%; W Richmond 10%;
- At this point a Joint Venture will be formed and Thundelarra will be free carried to mining (in terms of cash outlay), with expenditure contributions funded by Sandfire on a non-recourse basis and to be repaid from Thundelarra’s share of cashflow;

- After Sandfire has earned its equity interest, Thundelarra will have the option to put its remaining equity interest to Sandfire at fair value, as determined by an independent valuer;
- The existing Red Bore joint venture between Thundelarra and Mr W Richmond contains pre-emptive conditions of a standard nature. The parties agreeing that Mr Richmond has not exercised his pre-emptive right is the Condition Precedent to the commencement of exploration by Sandfire at Red Bore.

Thundelarra's Chairman, Phil Crabb, said:

*"This transaction makes a great deal of sense for all parties. It allows Thundelarra to focus all its efforts and cash on continuing exploration at the exciting, wholly-owned Garden Gully gold discovery, while at the same time there will be significant exploration underway at Red Bore at no cost to Thundelarra. We remain convinced that Red Bore has hidden riches yet to be uncovered, and Sandfire is the logical party to accelerate exploration there as they have a unique understanding of the local geology and pathfinders, based on their own development at DeGrussa. Their Conductor 5 orebody, at 600m or so below surface, lies less than 200m from the northwest corner of Red Bore, so their approach to Thundelarra is timely for everyone. This could be the key to unlocking Red Bore and delivering value to our longstanding and loyal shareholders".*

**For Further Information Contact:**  
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**THUNDELARRA LIMITED**  
**Issued Shares: 426.5M**  
**ASX Code: THX**

**Competent Person Statement**

*The details contained in this report that pertain to new Exploration Results, Mineral Resources or Ore Reserves, are based upon, and fairly represent, information and supporting documentation compiled by Mr Costica Vieru, a Member of the Australian Institute of Geoscientists and a full-time employee of the Company. Mr Vieru has sufficient experience which is relevant to the style(s) of mineralisation and type(s) of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Vieru consents to the inclusion in this report of the matters based upon the information in the form and context in which it appears. The information in this report relating to previously reported mineral resources is based on information compiled by Mr Kevin Lowe (MAusIMM) under the supervision and guidance of Mr Trevor Stevenson (FAusIMM(CP)), who were both full time employees of Runge Limited at the time. Mr Stevenson (FAusIMM(CP)) has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2004 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC, 2004). Mr Stevenson consented to the inclusion in the original report of the matters based on the information in the form and context in which it appeared.*