THUNDELARRA

Annual Report 2018

DIRECTORS

Philip G Crabb
Non-Executive Chairman

Frank DeMarte
Executive Director

Malcolm R J Randall
Non-Executive Director

Rick W Crabb
Non-Executive Director

CHIEF EXECUTIVE OFFICER

Antony Lofthouse

SECRETARY

Frank DeMarte

REGISTERED OFFICE AND BUSINESS ADDRESS

Level 2,
47 Stirling Highway
NEDLANDS WA 6009

Telephone: +618 9389 6927
Facsimile: +618 9389 5593

Email: info@thundelarra.com.au
Web: www.thundelarra.com

Australian Business Number:
74 950 465 654

AUDITOR

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

SHARE REGISTRY

Computershare Investor Services Pty Limited
Level 11
172 St Georges Terrace
PERTH WA 6000

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

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

STOCK EXCHANGE

Australian Securities Exchange Limited
Home Branch Perth

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

ASX CODES

THX, THXOB

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ASX ADDITIONAL INFORMATION

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

CHAIRMAN'S LETTER

Dear Shareholder

It gives me great pleasure to present the 2018 annual report for Thundelarra Limited (Company) but it has been a tough year to say the least for junior exploration companies.

The corporate and exploration strategies we have put in place over the past two years, starting with the decision to acquire Red Dragon's gold assets near Meekatharra in the Murchison district of Western Australia, have proved prudent and well-judged. They also demonstrate the capacity of your executive team to think ahead and to plan effectively for different market outcomes.

Shareholders in exploration companies recognise that exploration is a high risk game, but it is the potential for high rewards that attracts both investors and explorers. To have any chance of delivering such rewards, explorers MUST put money into the ground to test geologically solid concepts and targets in a systematic and technically rigorous fashion. Your Company recognises this and so manages your cash reserves prudently, while ensuring that at least two thirds of every dollar spent is spent on active exploration – "dollars in the ground".

Garden Gully and our other gold projects remained as our current principal exploration focus for 2018. During the year a total of $4,177,164 was spent on exploration and evaluation of the Company's gold projects with the focus being at the Garden Gully gold project. Two major drilling campaigns were carried out at Garden Gully during the year that included air core, reverse circulation and diamond drilling programmes, 17 diamond holes, 67 reverse circulation holes and 274 aircore holes were completed, including a small reverse circulation programme at Sophie Downs. In total, your Company drilled 358 holes for 31,695 metres. This is a significant performance for a junior exploration company and clearly demonstrates our commitment to aggressive exploration, especially during tough market conditions.

Additional information in relation to the exploration activities carried out on the Company other gold projects are provided in the CEO's review of operations section of the Annual Report.

As shareholders are aware, last year Mr Richmond (Richmond) decided to exercise his pre-emptive right and so replace Sandfire Resources in a new joint venture arrangement on the basis of the Company holding 90% and Richmond 10%. Richmond paid $1.5 million cash to the Company and agreed to carry out $1.5 million of exploration expenditure at Red Bore before late January 2019. Achieving that exploration condition itself does not earn Richmond any additional interest, but does provide him with the mechanism to earn a further 75% interest in Red Bore if he continues to sole fund all exploration through to definition of a 2012 JORC resource of at least 30,000 tonnes of contained copper or copper equivalent. Your Company is free-carried until production commences.

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. Our exploration strategy continues to bear testament to the technical rigour applied by our geological team.

In October 2018, that Company announced the signing of a binding Sale Agreement to acquire the Abbotts gold exploration project from Doray Minerals Limited. The Abbotts gold project comprises of 13 granted tenements that cover approximately 450 square kilometres, surrounds and abuts the Company's Garden Gully project and provides the Company with a combined project area of approximately 530 square kilometres.

I would like to take this opportunity to thank our hard working management team, Board of Directors and our geological and administrative staff. Also, 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.

Going forward in 2019, your Company has exciting projects to explore 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

In 2018 Thundelarra continued its active search for new gold discoveries. It refined its commodity focus still further to concentrate mainly on the Murchison District of Western Australia, home to its flagship Garden Gully Gold Project and to the copper/gold potential of the Red Bore Project (Red Bore lies only a few hundred metres from the operating DeGrussa mine).

Garden Gully is located about 15 kilometres north-west of Meekatharra, a regional mining centre with a long history of gold mining. It boasts excellent established infrastructure which has contributed to well in excess of seven million ounces of gold production in the 130-odd years since the prospectors Meehan, Porter and Soich first discovered gold there in 1896.

At 30 September 2018, Garden Gully comprised fifteen prospecting licences and two exploration licences for a project area of about 78 square kilometres project area. In October 2018, after the end of the 2018 Financial Year, your company announced that it had signed a binding Sale Agreement to acquire the Abbotts Gold Project. This significant acquisition of contiguous tenements will expand Garden Gully to a project totalling about 530 square kilometres and covering the majority of the Abbotts Greenstone Belt.

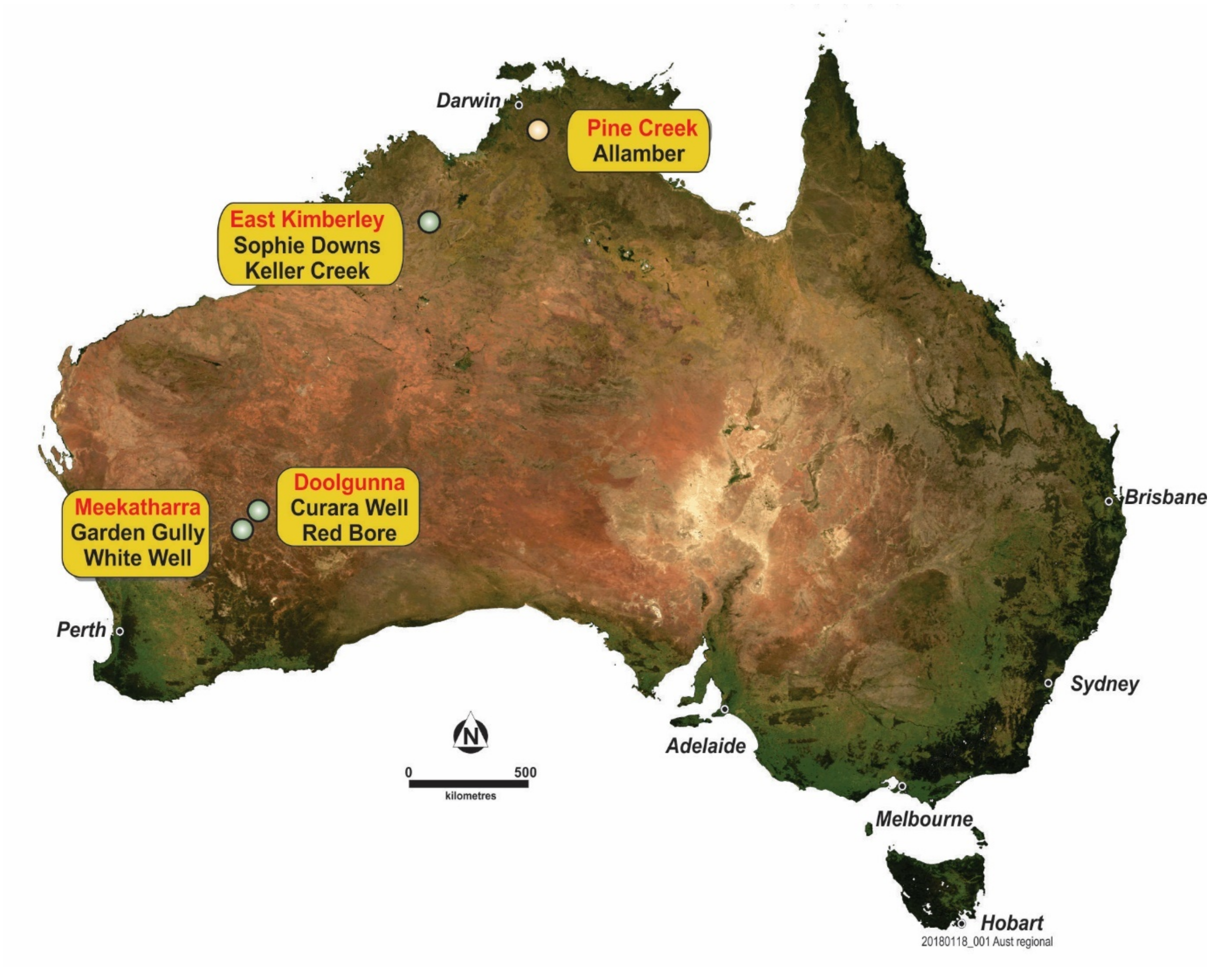

Figure 1. Regional location map of Thundelarra's Exploration Projects at 01 October 2017

Garden Gully includes the Crown Prince tenement, host to the historical mining operations that produced, at an average grade of about 21 grams gold per tonne, most of the ~21,000 ounces of recorded production.

CEO'S REVIEW OF OPERATIONS

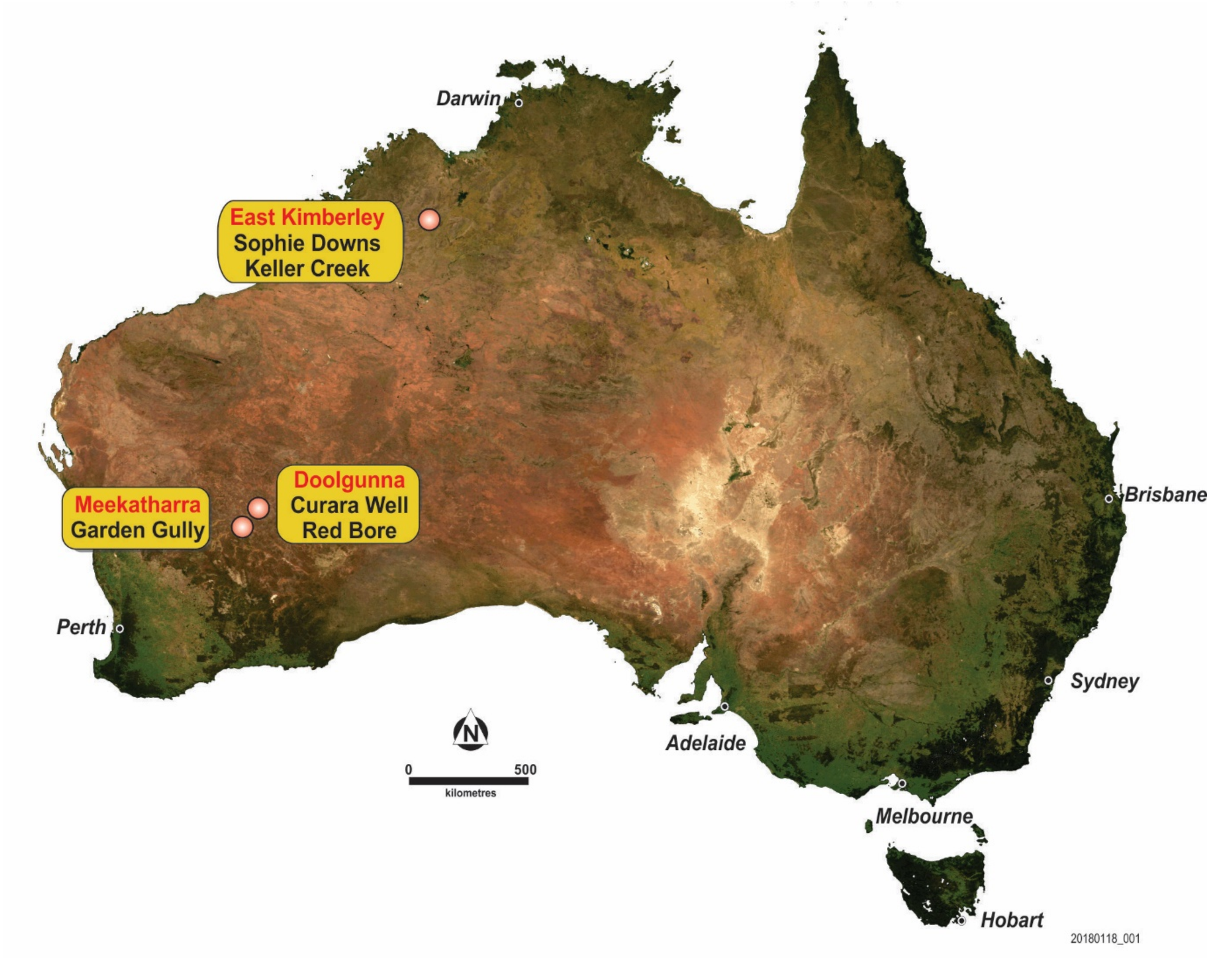

Figure 2. Regional location map of Thundelarra's Exploration Projects at 30 September 2018

Exploration at our projects during the year to 30 September 2018 included programmes of mapping, geochemical sampling, geophysical surveying (both surface and downhole), diamond, reverse circulation and air core drilling, and petrological studies. The geophysical work conducted included Sub-Audio Magnetic ("SAM") surveying: a tool that can assist in identifying structures hidden beneath surface cover. This is of particular value in exploring the Abbotts Greenstone Belt as much of the bedrock is concealed beneath transported cover.

Total expenditure for 2018 was just over $5.1 million (2017: $3.9 million), of which 81% ($4.2 million) went into the ground (2017: 80% / $3.1 million). The balance represented administrative expenses.

Two major, extended, drilling campaigns at Garden Gully in 2018 comprised air core, reverse circulation and diamond drill holes. A small reverse circulation programme was also carried out at Sophie Downs.

Type of Drilling	Holes	Metres Drilled	Projects
Reverse Circulation	81	14,613	Garden Gully; Sophie Downs
Including pre-collars	14	1,898	Garden Gully
Diamond	17	3,057	Garden Gully
Air Core	274	14,025	Garden Gully
Total	358	31,695	

A total of 84 reverse circulation and diamond holes were drilled for an aggregate advance of 17,670m, a 39% increase on the metreage drilled last year. When the air core drilling is included, total metres drilled increases to 31,695m (compared to the 12,711m drilled in 2017).

Significant changes in market sentiment during 2018 precipitated a further review of your Company's exploration projects in order to deliver the optimal focus for our efforts. As a result of this review of the age

CEO'S REVIEW OF OPERATIONS

of each project, the exploration results to date and our assessment of the likelihood of near term discovery of mineralisation of commercial scale, several projects were relinquished, after completing all requisite reporting and rehabilitation. These included the Paynes Find and White Well gold projects in Western Australia; and the Allamber copper, graphite and uranium project in the Northern Territory.

Garden Gully Gold Project, WA (THX 100%)

Garden Gully is close to Meekatharra and within easy trucking distance of existing gold processing plants. The Bluebird plant (WestGold; ~3.1 Mtpa) is located about 30 kms south of Garden Gully along the sealed Great Northern Highway and is understood to have spare capacity. The Andy Well plant (Doray Minerals; ~300kpta) is located about 30 kms north along the Great Northern Highway. Doray had placed Andy Well on care and maintenance in early November 2017 and subsequently tendered it for sale – at the same time as Doray's other regional exploration projects, Gnaweedah and Abbotts.

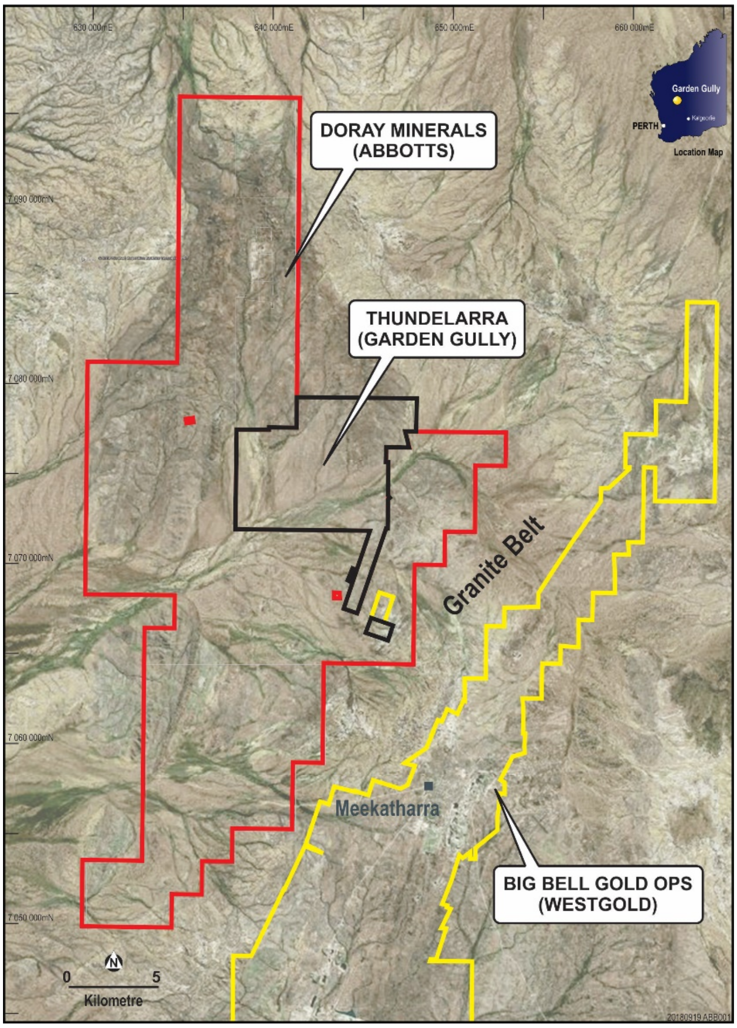

Figure 3. Garden Gully location map showing main blocks of tenement holdings.

Before finalisation of the Abbotts Acquisition, the **Garden Gully** Project comprises 2 granted Exploration Licences and 15 granted Prospecting Licences for a total project area of approximately 78km^2. The area encompasses a number of historic gold operations, with aggregate recorded production of 20,718 oz gold at an average grade of 21.7 gpt, the majority of which was sourced from the Crown Prince licence (previously known as Kyarra).

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Thundelarra began exploration at Garden Gully in mid-2016 and as at the date of this report has completed almost 60,000m of drilling in 441 holes in that time, comprising 27,914m from 148 reverse circulation ("RC") holes, 3,6763m from 19 diamond ("DD") holes and 14,025m from 274 air core ("AC").

Full details of each of the exploration programmes carried out at Garden Gully in the 2018 Financial Year, including all assay results, can be found in the announcements to the ASX dated 04 October 2017; 10 October 2017; 01 November 2017; 15 November 2017; 28 November 2017; 12 December 2017; 17 January 2018; 08 February 2018; 20 February 2018; 27 March 2018; 16 April 2018; 18 April 2018; 01 May 2018; 28 June 2018; and 24 July 2018.

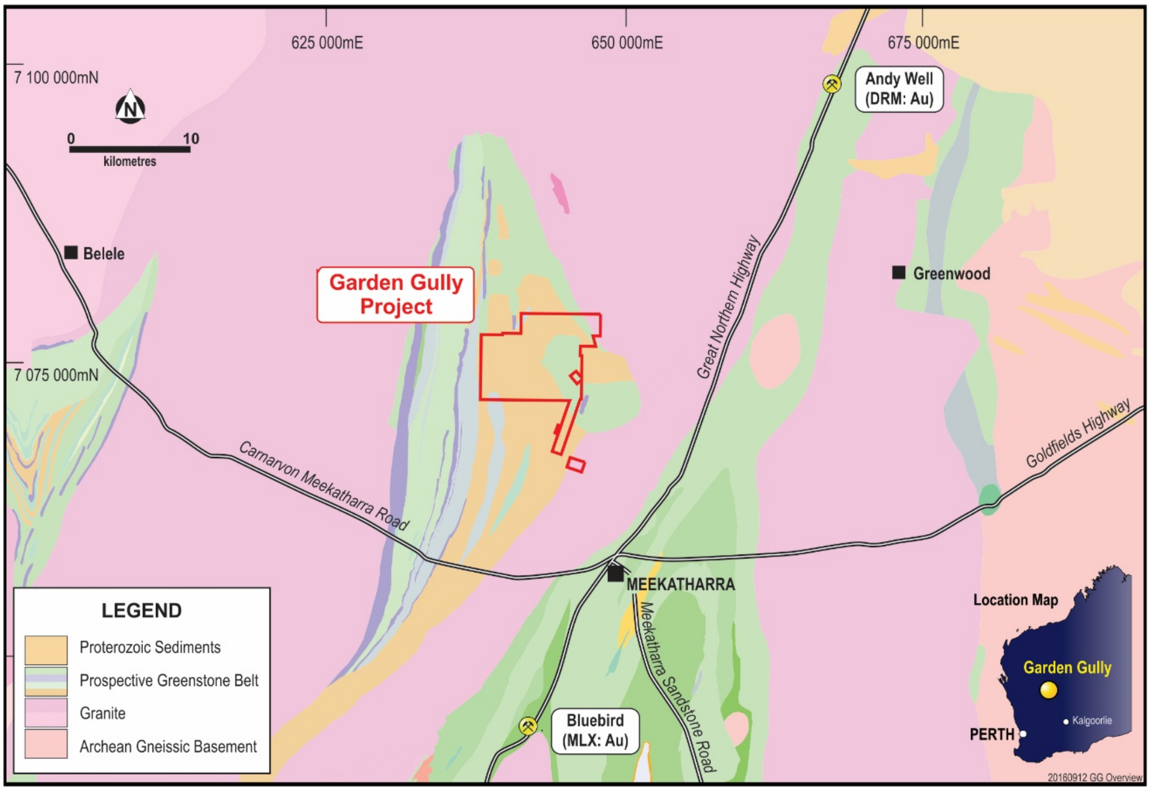

Figure 4. Garden Gully location showing proximity to local plant and infrastructure.

The acquisition of the Crown Prince tenement was an exciting event for Thundelarra as that tenement hosts the high grade historical gold production. The potential for extensions to the known mined mineralisation or for repetitions at depth formed one of the primary targets for exploration during the year at Garden Gully. We also conducted SAM surveys to test the near-surface prospectivity, defining several NNE/SSW trending bedrock conductive units which have been disrupted by cross-cutting NE/SW and NW/SE structures and have a clear correlation with the known gold mineralisation. Their potential is still to be tested fully.

CEO'S REVIEW OF OPERATIONS

Figure 5. Visible free gold observed in drill core at 128.80m down hole TGGDD090 at Crown Prince.

Core from just the second diamond hole drilled by Thundelarra at Crown Prince (TGGDD090) contained visible gold from 128.80m downhole in the primary zone (Figure 5). This was significant as it showed that gold mineralisation was present about 30m below the last recorded level of historical workings.

The fifth diamond hole at Crown Prince (TGGRCDD110) then delivered an even more significant result with six observations of visible gold (Figures 6 to 11) across a 5.5m interval from 259.3m downhole: at a vertical depth of about 245m. Intersecting the interpreted position of the Main Lode further down dip/plunge, reinforced the interpretation that the gold mineralisation continues to depth: to at least ~130m below the last recorded level of historical workings.

Assays confirmed the high tenor of the mineralisation:

- **2.40m at 66.5 gpt Au from 263.40m; within**
- **5.65m at 29.2 gpt Au from 260.80m; within**
- **8.00m at 22.3 gpt Au from 259.20m** downhole.

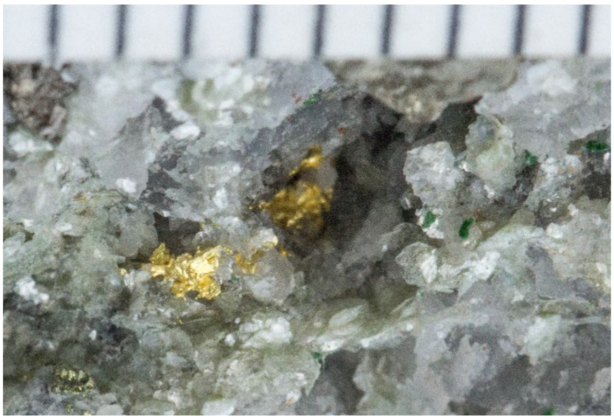

Figure 6. TGGRCDD110 at 259.30m (scale: mms).

Figure 7. TGGRCDD110 at 261.45m (scale: mms).

CEO'S REVIEW OF OPERATIONS

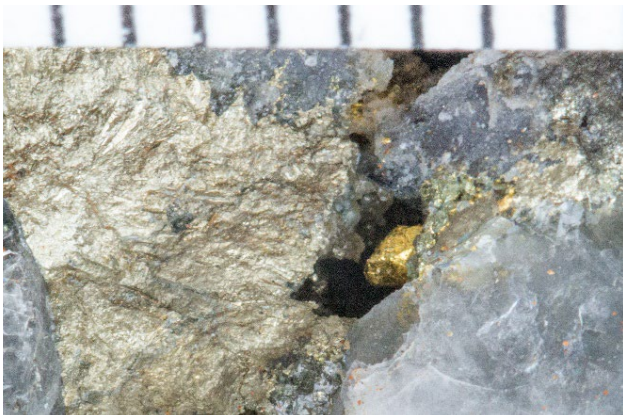

Figure 8. Free gold and sulphide at 263.80m in TGGRCDD110 (scale: mms).

Figure 9. Free gold and sulphide at 264.10m in TGGRCDD110 (scale: mms).

Figure 10. Free gold at 264.70m in TGGRCDD110 (scale: mms).

Figure 11. Free gold and sulphide at 264.80m in TGGRCDD110 (scale: mms).

These occurrences of visible free gold in fresh rock are highly significant. They represent primary gold mineralisation, not just the near-surface supergene enrichment (nuggets) which is a common feature of weathering processes and is also present at Garden Gully, as demonstrated in hole TGGRC018 which returned 7m at 24.5gpt Au from 11m downhole (reported 29 July 2016).

The host rock is quartz-carbonate veining with some arsenopyrite, pyrite and pyrrhotite sulphides. The veining is interpreted to be within the main shear zone. These outstanding results in TGGRCDD110 appear to support the initial thesis that the Main Lode worked at Crown Prince in the past could extend to depth, thus enhancing the possibility of commercial mineralisation being present.

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Hole No	From	To	Width (m)	Au (ppm)	Ag (ppm)	As (ppm)	Comment
TGGRCDD110	256.40	257.40	1.00	0.02	<0.1	<5	
TGGRCDD110	257.40	258.40	1.00	0.15	<0.1	80	
TGGRCDD110	258.40	259.20	0.80	0.01	<0.1	160	
TGGRCDD110	259.20	259.45	0.25	**51.67**	**0.5**	**145**	**259.20-267.20**
repeat:				**46.13**			**8.00m @ 22.3 gpt**
TGGRCDD110	259.45	260.00	0.55	0.49	<0.1	285	
TGGRCDD110	260.00	260.80	0.80	0.13	0.3	335	including
TGGRCDD110	260.80	261.40	0.60	**5.70**	**0.6**	**3,170**	**260.80-266.45**
repeat:				**3.70**			**5.65m @ 29.2 gpt**
TGGRCDD110	261.40	262.40	1.00	0.42	<0.1	130	
TGGRCDD110	262.40	263.40	1.00	0.06	2.1	80	including
TGGRCDD110	263.40	263.90	0.50	**84.90**	**1.1**	**615**	**263.40-265.80**
repeat:				**79.21**			**2.40m @ 66.5 gpt**
TGGRCDD110	263.90	264.80	0.90	**107.27**	**2.7**	**840**	
repeat:				**140.76**			
TGGRCDD110	264.80	265.80	1.00	**12.78**	**<0.1**	**305**	
duplicate:				**1.30**			
TGGRCDD110	265.80	266.20	0.40	0.23	<0.1	55	
TGGRCDD110	266.20	266.45	0.25	**7.73**	**<0.1**	**175**	
repeat:				**5.33**			
TGGRCDD110	266.45	266.70	0.25	0.12	<0.1	150	
TGGRCDD110	266.70	266.95	0.25	**2.08**	**0.2**	**235**	
TGGRCDD110	266.95	267.20	0.25	**3.30**	**<0.1**	**30**	

Table 1. Assays from intervals sampled in TGGRCDD110 at Crown Prince. Full details reported 12 December 2017.

CEO'S REVIEW OF OPERATIONS

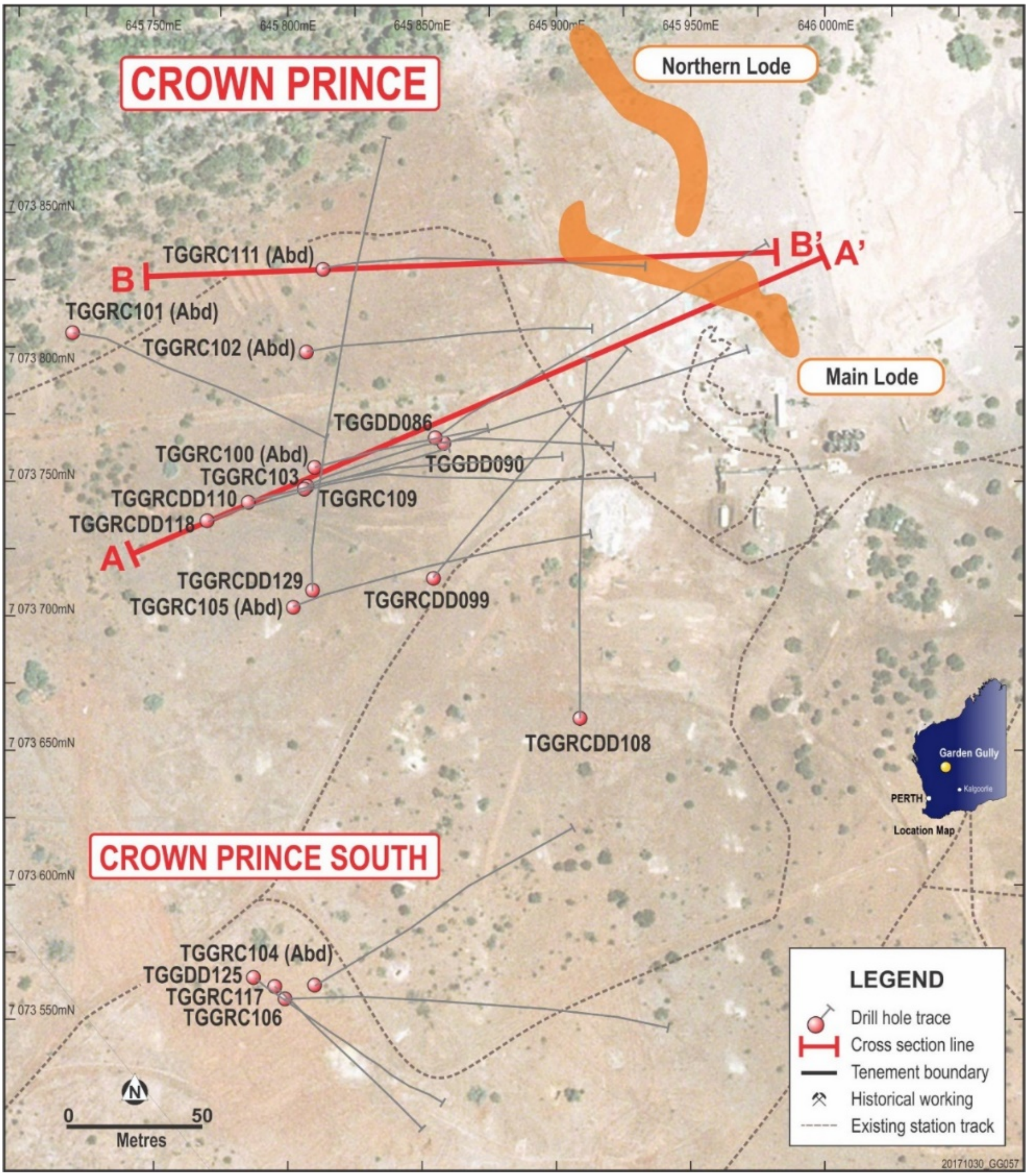

Figure 12. Distribution and surface projection of drill hole traces at Crown Prince Prospect.

Table 2 summarises significant intersections. Figure 13 shows a cross-section (A-A' on Figure 12) through the Main Lode. Figure 15 shows a further cross-section (B-B' on Figure 12) and Figure 14 provides a conceptual model showing interpreted positions of inferred down dip/plunge extensions of the Main and Northern Lodes, based on 3-D modelling of drilling data to date. These Main and Northern Lodes are interpreted as potentially dismantled elements of the same folded lode that plunges steeply to the south-west.

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Hole No	From	To	Interval	Au (g/t)	Comments
TGGDD086	104m	106m	2m	**1.4**	
	109m	111m	2m	**13.0**	
within	109m	112.5m	3.5m	**7.6**	Main Lode extension
	138.9m	140.1m	1.2m	**1.9**	
TGGDD090	129.6m	132.2m	2.6m	**7.5**	
within	129m	132.6m	3.6m	**5.5**	
within	129m	136.1m	7.1m	**3.4**	Main Lode extension
TGGRCDD099	47m	52m	5m	**1.0**	
and	55m	60.9m	5.9m	**1.4**	
within	47m	60.9m	13.9m	**1.0**	Main Lode
	151.1m	156.1m	5m	**4.1**	
within	151.1m	160.5m	9.4m	**2.8**	
TGGRC103	166m	170m	4m	**16.5**	
within	166m	172m	6m	**11.2**	Main Lode extension
	185m	195m	10m	**2.6**	
within	181m	209m	28m	**1.4**	
TGGRC104	36m	38m	2m	**1.3**	Crown Prince South
TGGRCDD108	219.8m	223.6m	3.8m	**3.5**	Main Lode extension
TGGRCDD110	241.3m	244.3m	3m	**14.1**	
	259.2m	261.4m	2.2m	**7.0**	Interpreted at depth down plunge extension to Main Lode mined at Crown Prince.
and	263.4m	265.8m	2.4m	**66.5**	
within	259.2m	267.2m	8m	**22.3**	
TGGRC111	210m	212m	2m	**2.1**	Northern Lode extension
within	210m	219m	9m	**1.2**	
TGGRCDD118	242.9m	246.9m	4m	**1.4**	Main Lode
	259.9m	260.9m	1m	**2.2**	
	266.9m	269.9m	3m	**1.0**	
TGGDD125	52m	53.7m	1.7m	**1.6**	Crown Prince South

Table 2. Crown Prince significant intercepts: refer ASX 12 December 2017 and 08 February 2018 for full details.

Alteration increases with depth and there are indications of the presence of a stockwork system, which is indicative of real potential for a larger system to exist beneath the old mine. Petrology indicates the presence of potassic-boron metasomatism at depth which is associated with silica-carbonate-sericite-arsenopyrite-pyrite-pyrrhotite-chalcopyrite-sphalerite and magnetite alteration. Deep diamond drilling is required to test at depth the south-western plunge of the inferred mineralised body and the development of the mineralised system (Figure 13).

CEO'S REVIEW OF OPERATIONS

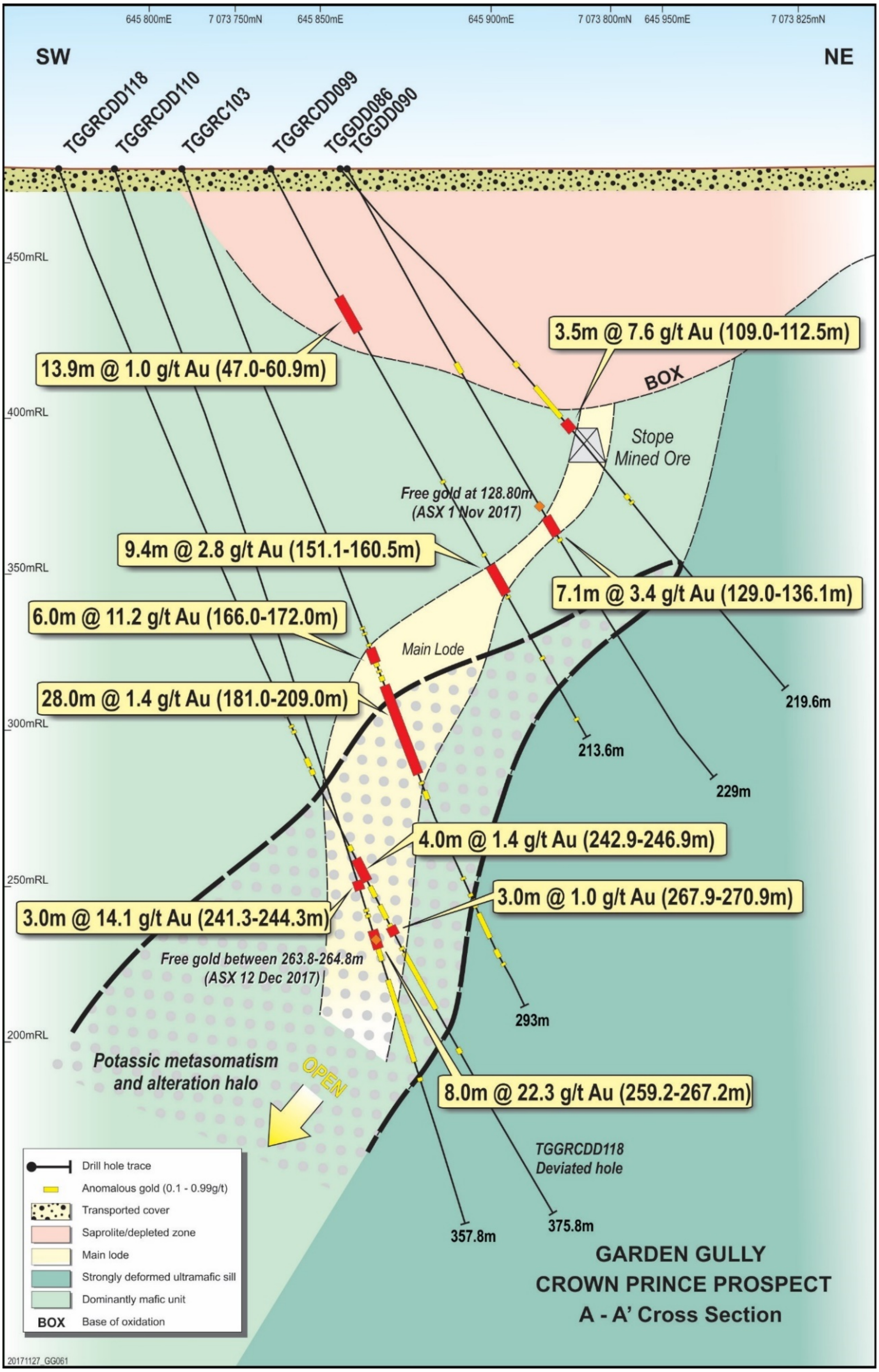

Figure 13. Crown Prince Prospect. Cross section A-A' through the Main Lode, looking north-westerly.

CEO'S REVIEW OF OPERATIONS

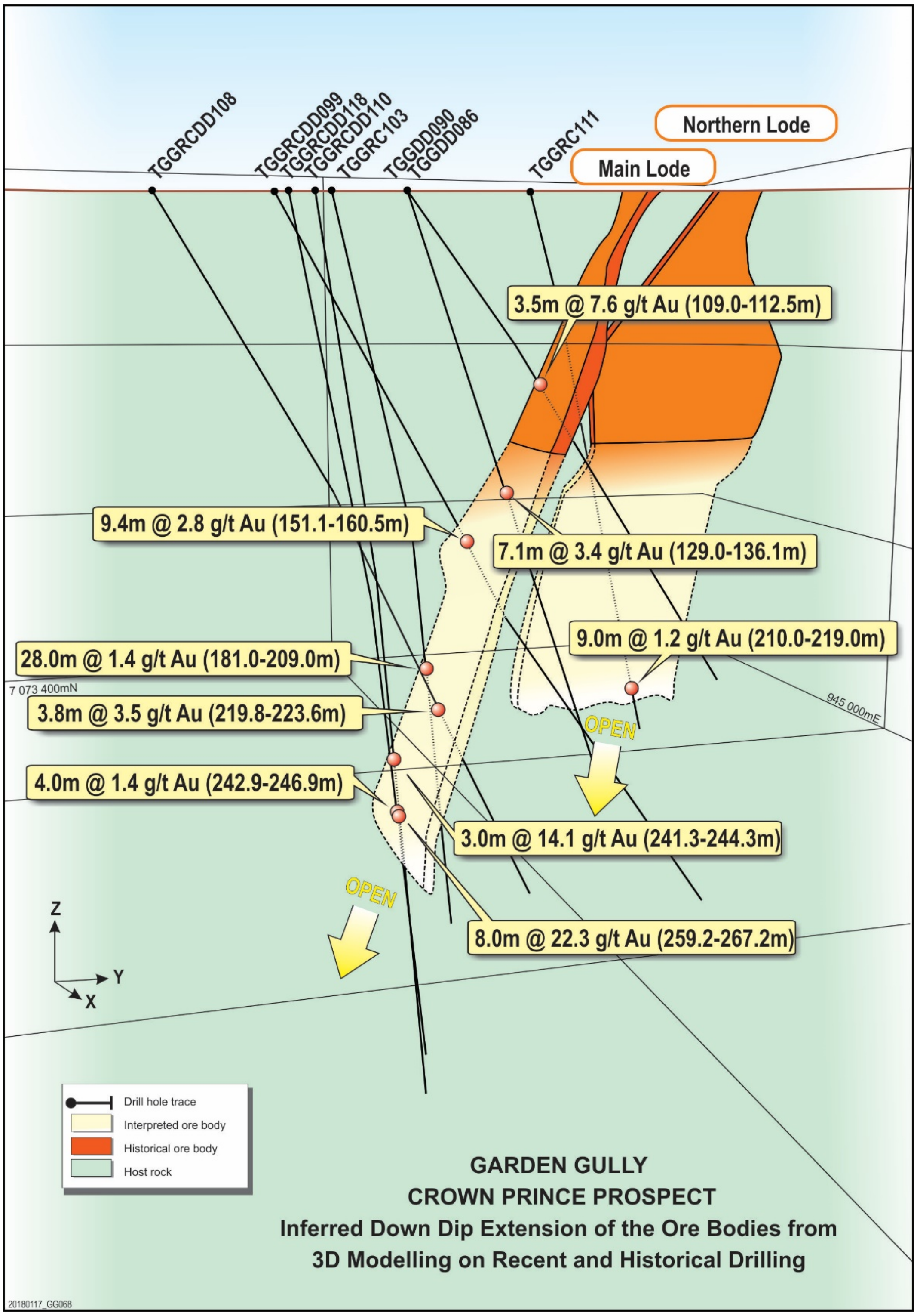

Figure 14. Conceptual model looking west: inferred down dip/plunge extensions of the Main and Northern Lodes at Crown Prince, generated from 3D modelling.

CEO'S REVIEW OF OPERATIONS

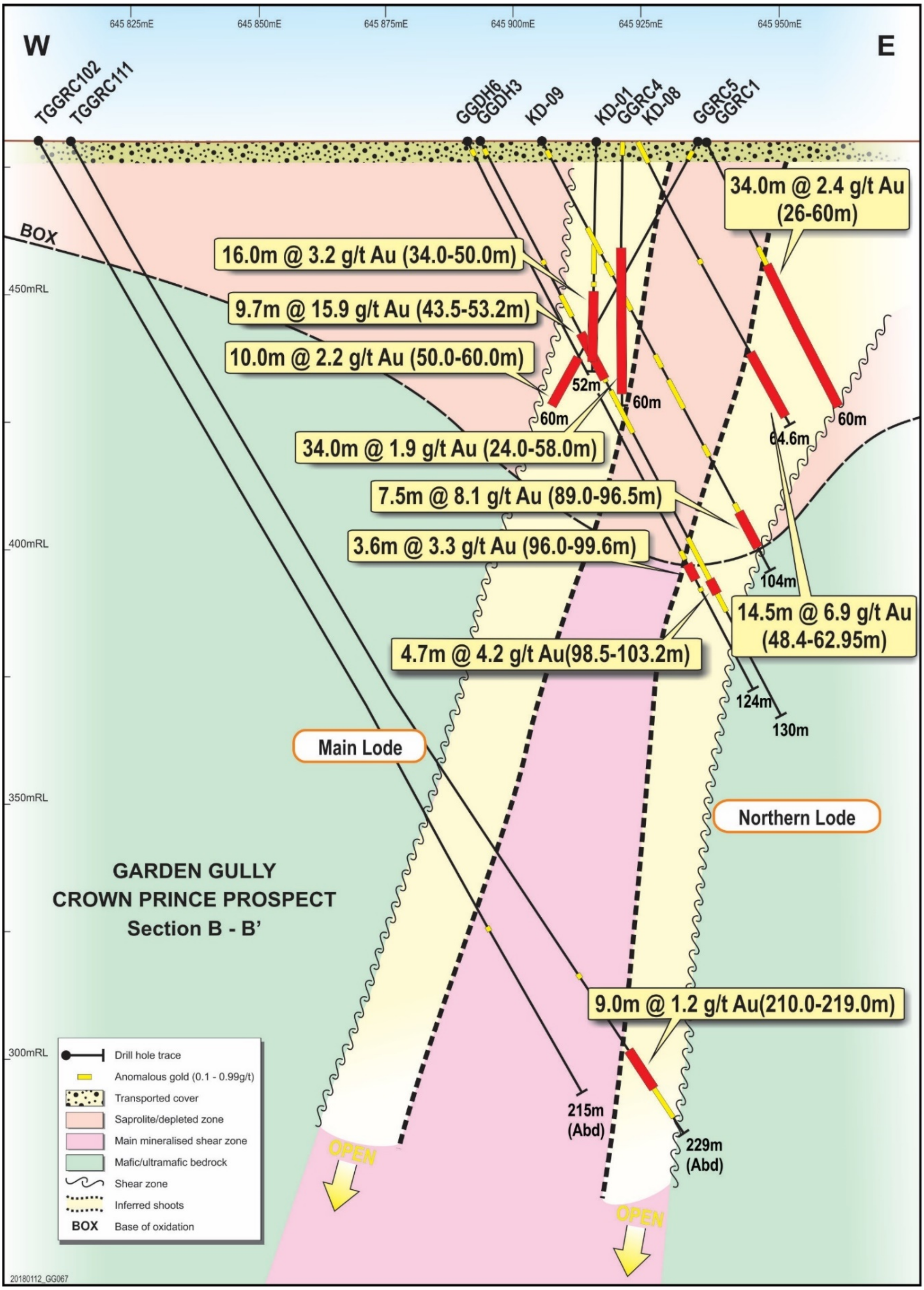

Figure 15. Inferred down dip / plunge extensions of Main and Northern Lodes (B-B' section on Figure 12).

A subsequent drill programme of 17 holes (11 RC holes plus 6 RC pre-collars for 2,560m advance, with diamond tails for 1,153m advance) tested the area north of the main pit where the Main Lode crops out. Significant intersections are summarised in Table 3.

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Hole No	From	To	Interval	Au (g/t)	Comments
TGGRCDD141	129.05m	136.05m	6m	**1.1**	Northern Lode
TGGRCDD142	**107.00m**	**110.25m**	**3.25m**	**18.5**	**Northern Lode**
TGGRCDD143	80.20m	81.90m	1.70m	1.6	Northern Lode
	87.20m	**100.70m**	**13.5m**	**2.2**	**Northern Lode**
including:	**87.60m**	**89.90m**	**2.30m**	**3.6**	**Northern Lode**
	109.40m	**115.60m**	**6.20m**	**2.9**	**Northern Lode**
TGGRCDD144	56m	62m	6m	1.0	Northern Lode
	174.30m	**180.00m**	**6.20m**	**2.5**	Northern Lode
TGGRC151	**37m**	**43m**	**6m**	**4.0**	**Main Lode**
	54m	55m	1m	1.3	Main Lode
	93m	**100m**	**7m**	**1.8**	Northern Lode
	115m	116m	1m	1.2	Northern Lode
TGGRC152	50m	52m	2m	1.4	Northern Lode
TGGRC153	**42m**	**53m**	**11m**	**4.9**	**Northern Lode**
TGGRCDD155	123.20m	133.20m	1.00m	1.7	Newly identified high strain zone
	325.80m	326.90m	1.10m	1.4	Main Lode at depth
	335.90m	337.20m	1.30m	1.1	Main Lode at depth
TGGRC161	178m	180m	2m	1.5	Main Lode: western extension
TGGRC162	**24m**	**29m**	**5m**	**3.6**	**Northern Lode**
TGGRC163	55m	57m	2m	1.2	Western contact
TGGRC164	0m	4m	4m	1.4	Northern Lode
	12m	15m	3m	1.6	Northern Lode
	53m	54m	1m	1.1	Northern Lode
TGGRC165	31m	35m	4m	1.3	Northern Lode
	45m	46m	1m	1.5	Northern Lode

Table 3. Significant intercepts from Crown Prince drillholes. Full assay data reported 24 July 2018.

Gold mineralisation was intersected in 13 of 17 holes drilled in this programme: another excellent result that further confirms that the area hosts a significantly gold-mineralised system that offers potential for further discoveries across the Garden Gully project area, and in particular at Crown Prince. The geological data from this programme, combined with the geophysical data from SAM surveys, have delivered improved understanding of the structural controls. Based on the modelling and interpretation of the structural setting it appears that the known mineralisation at Crown Prince could repeat in previously untested areas to the northeast in the shallower oxide zone.

Our interpretation also suggests that the "Northern Lode", rather than being a single mineralised structure as per historical interpretations, may in fact be just one of multiple Riedel structures carrying gold grades that are confined within a NNE trending structural corridor extending through and beyond the historical Crown Prince workings (Figure 16).

The data from this drilling and from the SAM surveys carried out suggests that the Western Contact could well extend to the western main shear zone (inferred position marked on the left-hand side of Figure 16), which was never tested in the past. If the model is right, one or more repetitions of the same style as the Main and Northern Lodes could be present within the entire area bounded by the major north-south trending structures that bound the Deformational Zone shown on Figure 16. Mineralised structures of this style were mapped to the south at Crown, Ardeal and Battery prospects and they clearly follow the margin of ultramafic or spinifex-textured basaltic units.

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The areas of interest along those structures are the demagnetised sectors which show a higher grade of deformation. The Crown Prince Prospect, host to the best gold grades encountered to date within the entire Garden Gully project, is just such an area.

Three RC holes were drilled easterly just north of the main shaft, where the Main Lode crops out, with the aim of confirming the position of various mineralised intersections reported in historical drilling. Significant mineralisation was encountered (Figure 16, Table 3) which included high grade gold intersections in TGGRC151 (**6m at 4.0 gpt Au** from 37m) and TGGRC153 (**11m at 4.9 gpt Au** from 42m) within the weathering profile.

Holes TGGRCDD141-144 targeted the northern and down dip extensions of the Northern Lode. High grade gold was intersected in TGGRCDD142 (**3.25m at 18.5g/t Au** from 107m) which was drilled 40m north of the 7073815mN cross-section through the Northern Lode shown in Figures 12 and 17.

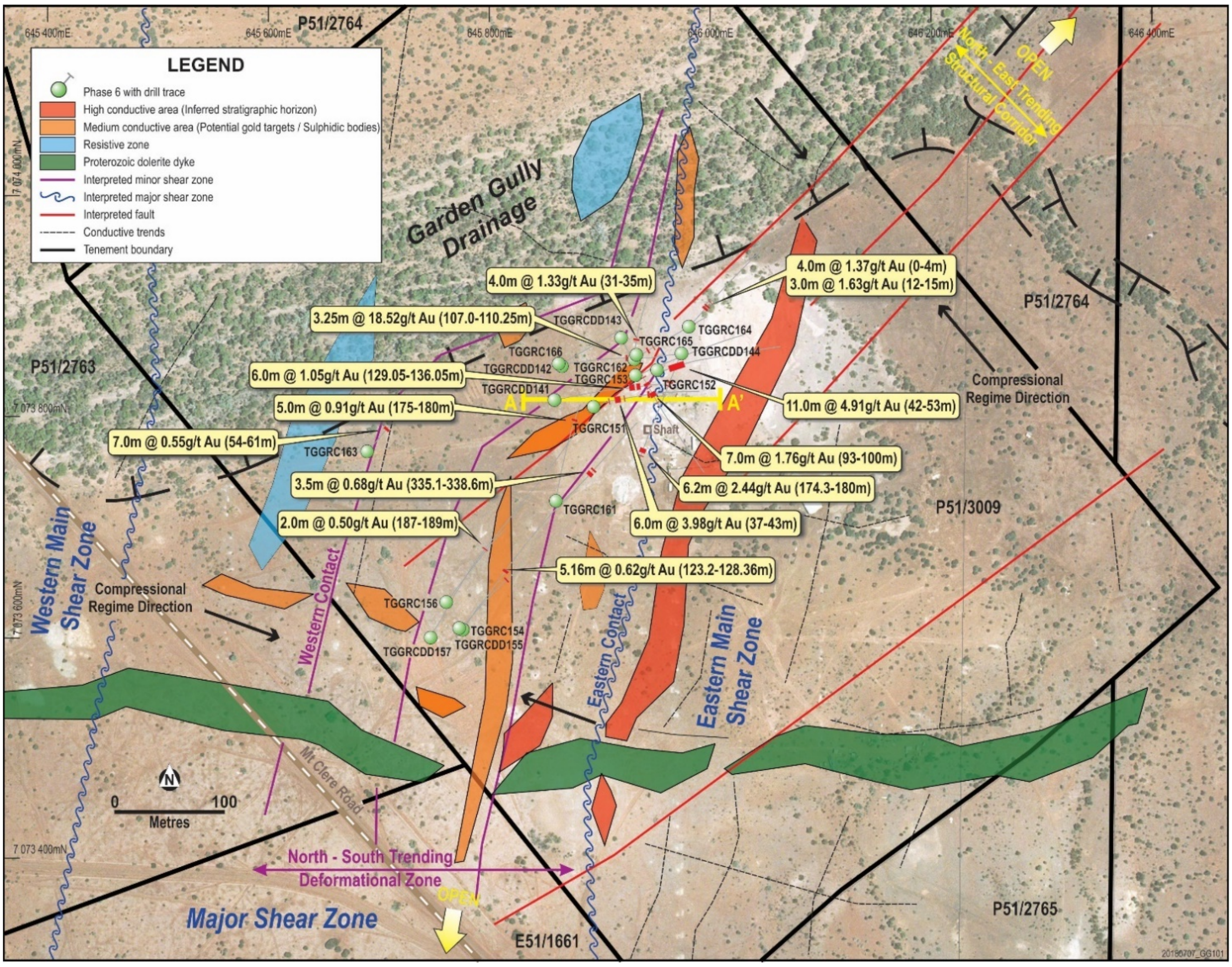

Figure 16. Crown Prince structural setting, interpreted from SAM surveys, with significant gold intercepts

TGGRCDD143 intersected the Northern Lode, returning a significant zone of **13.5m at 2.2 gpt Au** from 87.2m (including **2.3m at 3.6 gpt Au** from 87.6m) and a second zone of **6.2m at 2.9 gpt Au** from 109.4m down hole. TGGRCDD144 also intersected the Northern Lode: **6.2m at 2.5 gpt Au** from 174.3m down hole.

Four holes drilled on the south-western part of the tenement were designed to test the down-dip extension of the Main Lode. Two were abandoned as the deviation on the RC pre-collars rendered them unsuitable for the planned deep diamond tails. TGGRC154 was drilled north/north-easterly and intersected an unpredicted mineralised shear zone between 117-125m. Another RC pre-collar was drilled behind this hole and finished

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with a deep diamond tail (TGGRCDD155). Low grade mineralisation was intersected between 119-130m (refer ASX announcement of 24-Jul-2018).

TGGRC156 was abandoned at 167m due to significant hole deviation. Another RC pre-collar drilled nearby was finished with a deep diamond tail to test at depth the western extension of the Main Lode (TGGRCDD157). This hole intersected the same northerly trending mineralised high-strain shear zone between 178-193m and an alteration zone between 414-422m without returning any significant gold anomalism. SAM surveys were subsequently undertaken, interpretation of which shows that this mineralised structure is the high-strain zone which bounds the Main Lode to the west (Figure 16). The Main Lode was intersected as expected below 325m down hole and appears to split into several branches carrying narrow low-grade gold values.

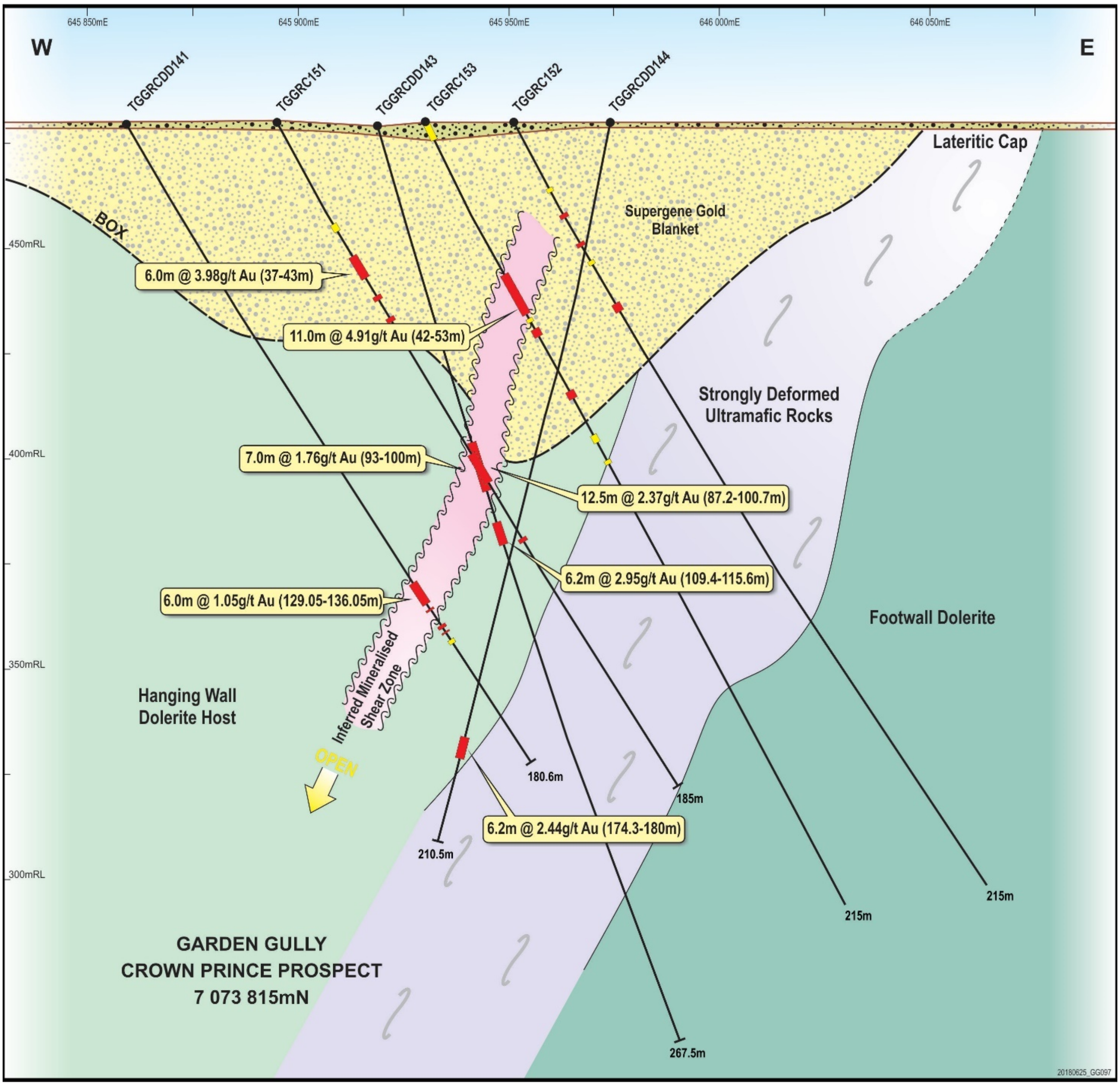

Figure 17. Crown Prince Prospect. Cross section A-A' through the Northern Lode, looking north (refer Figure 12).

Structural interpretation from the SAM and regional aero-magnetic data shows that both the Main and Northern Lodes are located within a deformational zone where its trend turns from NNE to more clearly northeast-southwest and narrows due to the change in the compressional regime from east-west to northwest-southeast (Figure 16). Such a change in the compressional regime creates the low pressure

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shadows/dilational zones that offer the best locations for gold mineralisation, especially when combined with the contrast between more competent dolerite/high-magnesium basaltic rocks and the underlying more ductile ultramafic unit, with the latter also acting as the reductant needed to drop the gold out of the mineralising fluids.

This can also explain the fragmentation of the Main Lode in the zones between the several sub-parallel high-strain shears present in the deformational zone between the Western and Eastern contacts where the gold mineralisation has been intercepted to date.

A priority drill target for the next exploration phase will be the northeast structural corridor where no drilling has been carried out to date. Multiple high-grade zones appear to be present within the weathering profile in this confined structural corridor. This area offers significant potential for previously undiscovered near-surface high grade oxide gold mineralisation.

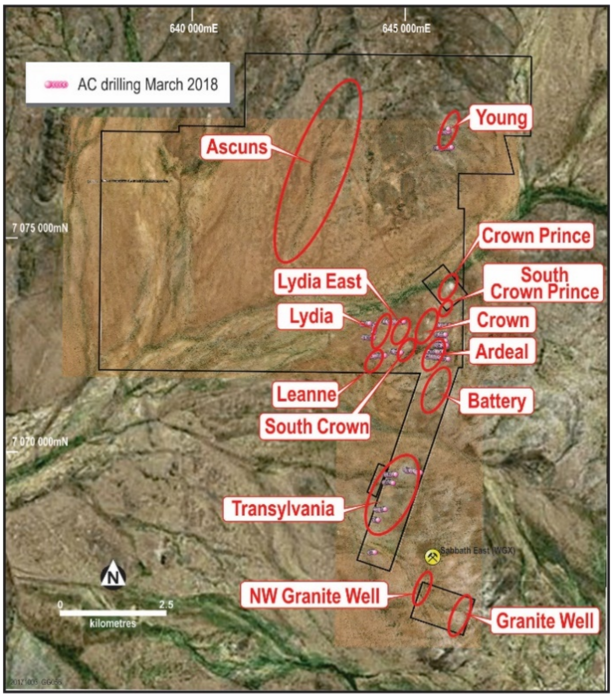

Figure 18. Garden Gully prospects on LandSat image.

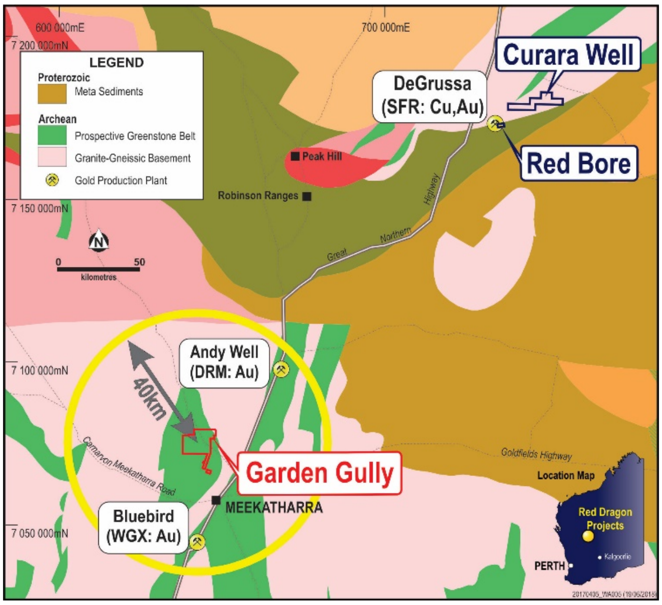

Figure 19. Garden Gully regional location.

The Garden Gully project area is characterised by a veneer of transported cover of variable thickness, underlain in places by a subsurface layer of duricrust, explaining why past soil geochemistry surveys failed to identify and locate accurately the underlying primary mineralised structures that our exploration has revealed. SAM geophysical surveys have proved effective in detecting prospective structures at depth within this terrain: SAM surveys combined with AC drilling traverses can identify previously undetected structures for subsequent RC drill-testing.

SAM surveys carried out at **Crown Prince** defined several NNE/SSW trending bedrock conductive units which have been disrupted by cross-cutting NE/SW and NW/SE structures and have a clear correlation with the known gold mineralisation.

SAM surveying at **Lydia** mapped a number of N/S to NNE/SSW trending conductive units which have been again disrupted by cross cutting structures and show a good correlation with the gold intersections from Thundelarra's previous drilling programmes.

A programme of 274 AC drill holes in 19 traverses was completed in conjunction with SAM surveys at Young, Lydia, Ardeal, Leanne and Transylvania prospects. The programme tested potential for gold mineralisation under areas with limited outcrop where traditional soil geochemistry targeting had proved ineffective.

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Hole No	From	To	Interval	Au (g/t)	Comments
TGGAC020	60m	51m	1m	2.4	Leanne
TGGAC065	19m	20m	1m	2.3	Ardeal
TGGAC066	16m	17m	1m	1.6	Ardeal
TGGAC138	64m	66m	2m	1.8	Lydia
TGGAC147	36m	40m	6m	1.4	Lydia
TGGAC148	51m	53m	3m	1.3	Lydia
TGGAC150	25m	28m	3m	1.2	Lydia
TGGAC151	**36m**	**41m**	**5m**	**7.1**	**Lydia**
TGGAC152	**60m**	**65m**	**5m**	**4.0**	**Lydia**
TGGAC153	75m	78m	3m	1.5	Lydia
TGGAC181	**14m**	**19m**	**5m**	**6.9**	**Young**
TGGAC181	32m	34m	2m	2.0	Young
TGGAC213	**10m**	**20m**	**10m**	**1.5**	**Transylvania**
TGGAC216	**0m**	**25m**	**25m**	**1.3**	**Transylvania**
TGGAC217	20m	25m	5m	2.1	Transylvania
TGGAC245	72m	77m	5m	1.4	Transylvania

Table 4. Significant intercepts from AC drill programme. Full assay data reported 28 June 2018.

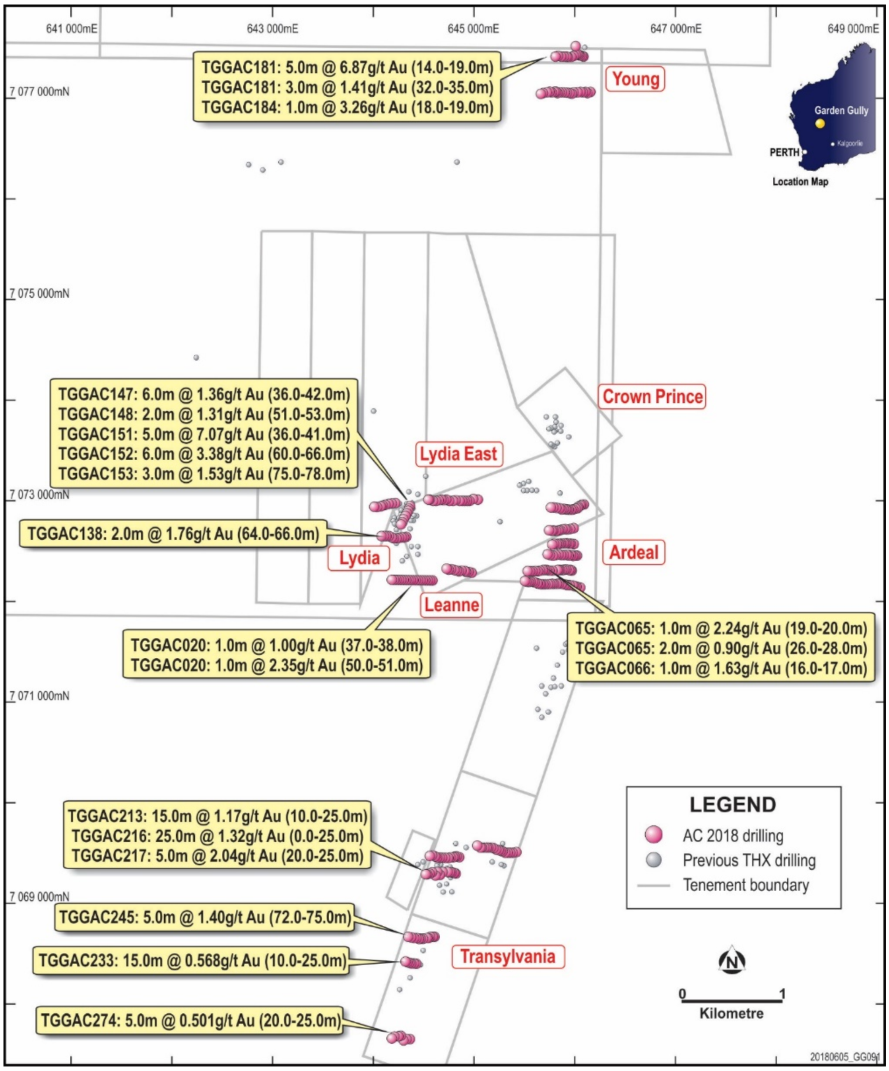

Figure 20. AC drill hole distribution at Garden Gully, with significant intercepts

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Lydia and Leanne Prospects

Six AC lines (74 holes for 4,291m) traversed the Lydia and Leanne prospects (Figures 20, 21). Anomalous gold values were intercepted just south of the Lydia NW prospect and also on the central part of the line drilled at the newly-identified Leanne prospect. Multiple new gold targets were identified from the recent follow-up SAM survey: they are displayed in Figure 21 as yellow outlines.

As most of the previous drilling at Lydia NW was done west of the main mineralised shear and targeted at depth the primary shoots within this main structure, a decision was taken to drilled eight vertical AC holes into the main narrow shear (TGGAC147-154) to test the potential for gold mineralisation closer to surface. Figure 22 presents the resultant long section.

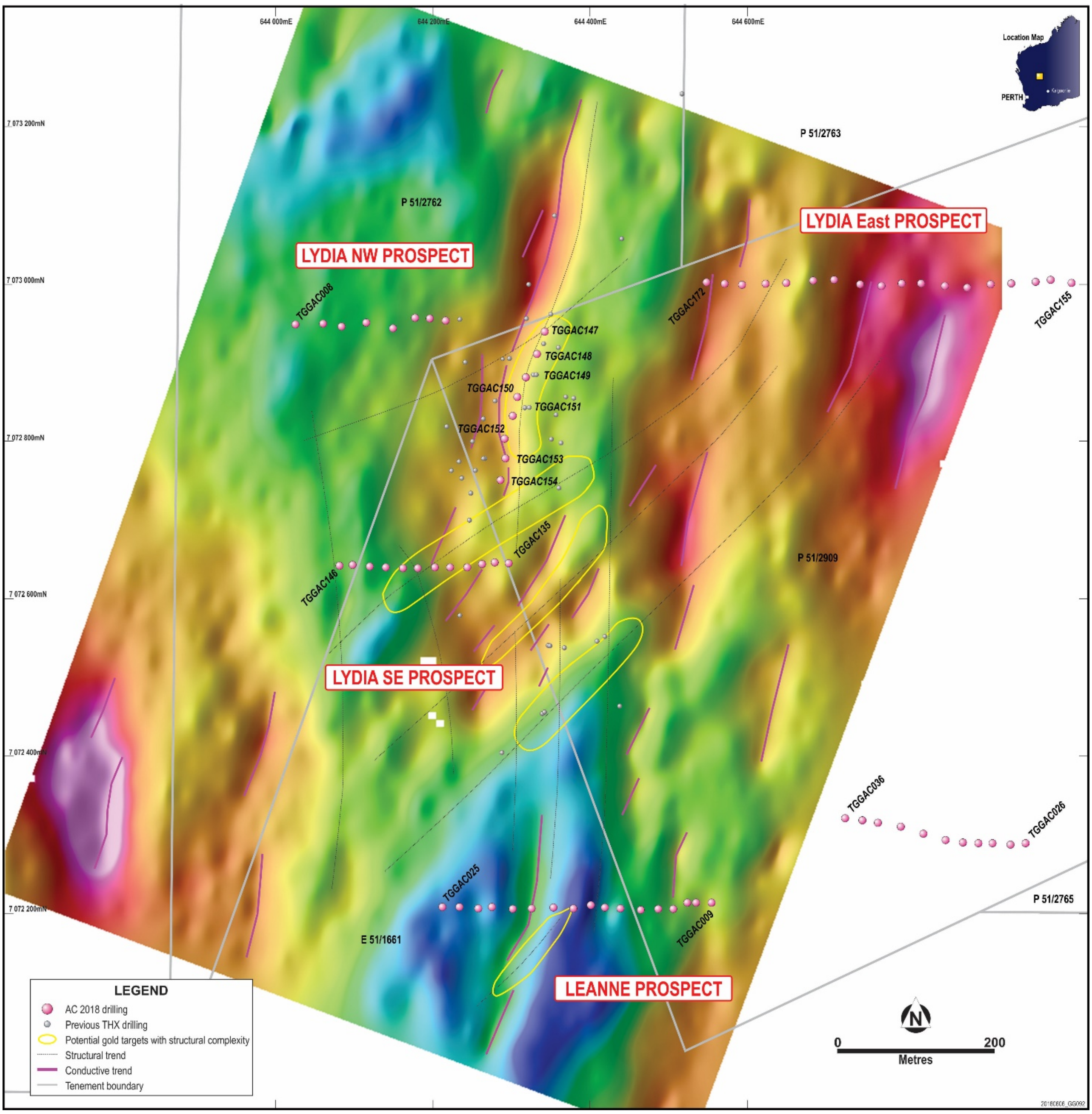

Figure 21. AC drill hole distribution at the Lydia and Leanne Prospects: SAM (MMC) image.

Gold mineralisation was intersected in six of the eight holes, showing that supergene gold is present into the saprolitic/generally depleted zone above the variable base of oxidation varying between 50m and 90m. High

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grade shoots including 36-41m: 5m at 7.1 gpt Au; and 60-66m: 6m at 3.4 gpt Au (including 5m at 4.0 from 60m) were intercepted in TGGAC151 and 153 (Figure 20).

Significant potential for additional gold resource is present within this 200m long structure which was previously drill-tested only below the base of oxidation. SAM surveys delineated four more potential gold targets which will be tested as part of the next drill programme.

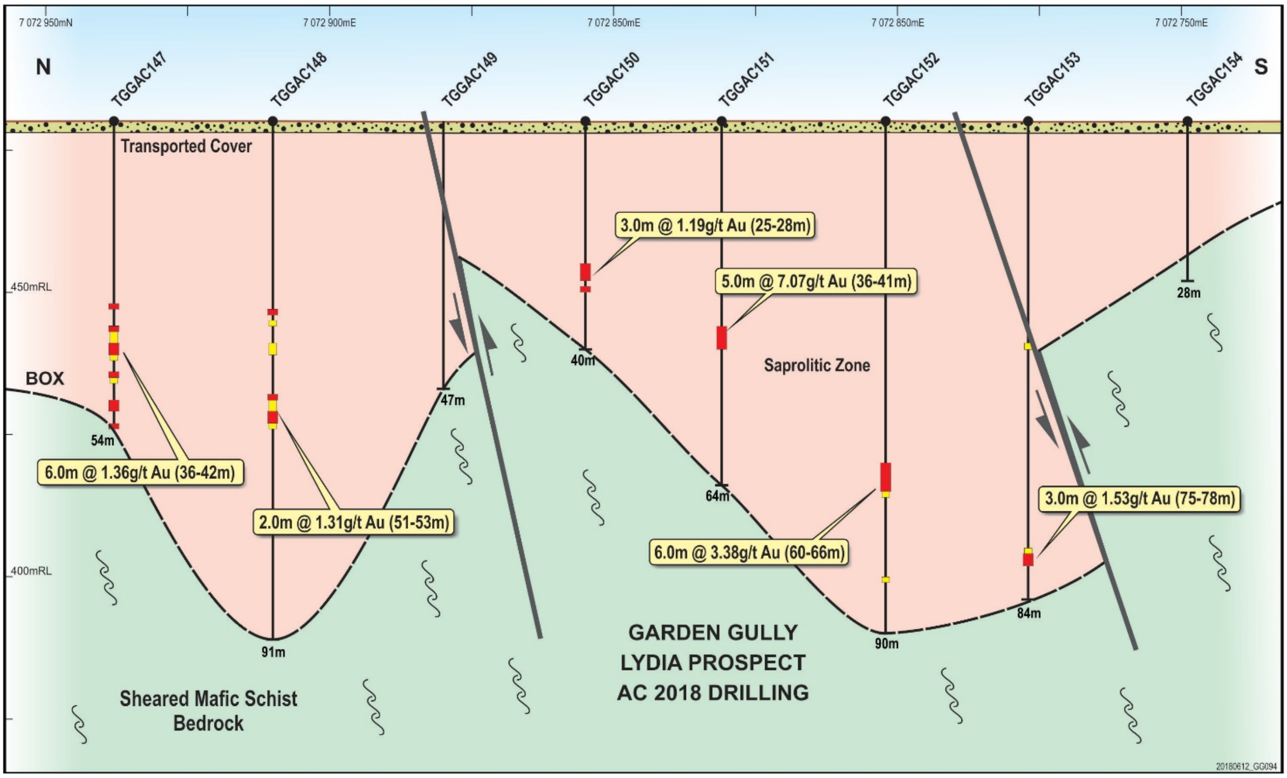

Figure 22. Long section through the weathering profile/saprolite zone along the Main Lydia Shear Zone

Drilling at Lydia intercepted gold mineralisation in both the weathering profile and the underlying primary zone, confirming the presence of an extensive mineralisation system which was indicated to extend over about 500m strike, remaining open to the north and south and at depth.

Drilling tested the north-western part of the main Lydia shear zone where a dilational jog is present, hosting multiple deep plunging mineralised shoots. Mineralisation is in mafic rocks and is completely concealed by a thin transported overburden. The dominant plunge of the mineralised sulphidic shoots is south/south-westerly so the holes were drilled towards the north-east to maximise the chance of intersections.

Based on the results of this and previous drilling campaigns, the geology at Lydia essentially consists of a massive dolerite with localised sheared / foliated zones. In these shear zones, strongly foliated dolerite is better described as mafic schists. The transition from the massive undeformed dolerite to the mafic schist is gradual. An intrusive unit with porphyritic textures has also been intersected in the shear and is foliated and could be of lamprophyric or syenitic origin.

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Hole No	From	To	Interval	Au (g/t)	Prospect
TGGRC087	81m	89m	8m	**2.6**	**Lydia North-West**
	and				
	127m	137m	10m	**1.9**	
TGGRC088	107m	110m	3m	**1.2**	**Lydia North-West**
	and				
	145m	159m	14m	**1.6**	
TGGRC089	182m	185m	3m	**1.7**	**Lydia North-West**
	and				
	187m	193m	6m	**1.1**	
TGGRC091	123m	134m	11m	**1.1**	**Lydia North-West**
TGGRC092	118m	122m	4m	**1.0**	**Lydia North-West**
TGGRC094	228m	234m	6m	**1.1**	**Lydia North-West**
TGGRC095	202m	205m	3m	**1.2**	**Lydia North-West**
TGGRC096	120m	131m	11m	**2.9**	**Lydia North-West**
	and				
	149m	152m	3m	**1.8**	
TGGRC097	76m	80m	4m	**1.0**	**Lydia North-West**
	and				
	213m	222m	9m	**4.8**	
TGGRCDD098	96.6m	101.7m	5.1m	**1.2**	**Lydia North-West**
	and				
	115.4m	125.7m	10.3m	**2.6**	
	and				
	130.6m	134.3m	3.7m	**2.9**	
	and				
	137.9m	138.5m	0.6m	**1.1**	
TGGRC112	142m	148m	6m	**1.1**	**Lydia North-West**
TGGRC114	137m	149m	12m	**1.8**	**Lydia North-West**
	inc'g				
	137m	142m	5m	**3.1**	
TGGRC115	137m	142m	5m	**1.1**	**Lydia South-East**
TGGRCDD116	186m	188m	2m	**1.3**	**Lydia South-East**

Table 5. Significant intercepts from Lydia drillholes. See 17 Jan 2018 announcement for full details.

Structural interpretation has identified three main deformation events. The mineralisation controls appear structural rather than rheological, with gold mineralisation associated with arsenopyrite in quartz-sericite-sulphide vein systems. The zones of highly mineralised veining are constrained within S2 shear zones, striking to the NNE and steeply dipping to the WNW. The mineralised shoots follow the S1/S2 lineation, typically plunging at about 70^0 to the SSW. At vein scale, two main mineralisation styles are observed:

- Laminated orogenic-type stringers with fine grain gold-bearing arsenopyrite associated with the S1 schistosity;
- Gold-bearing arsenopyrite and pyrrhotite in silicified and sericitised quartz vein selvages. Sulphides are following S2 foliation and are more concentrated (and thus higher grade) in the multiple fold hinges.

The vein systems hosting the gold mineralisation are still open at depth and along strike.

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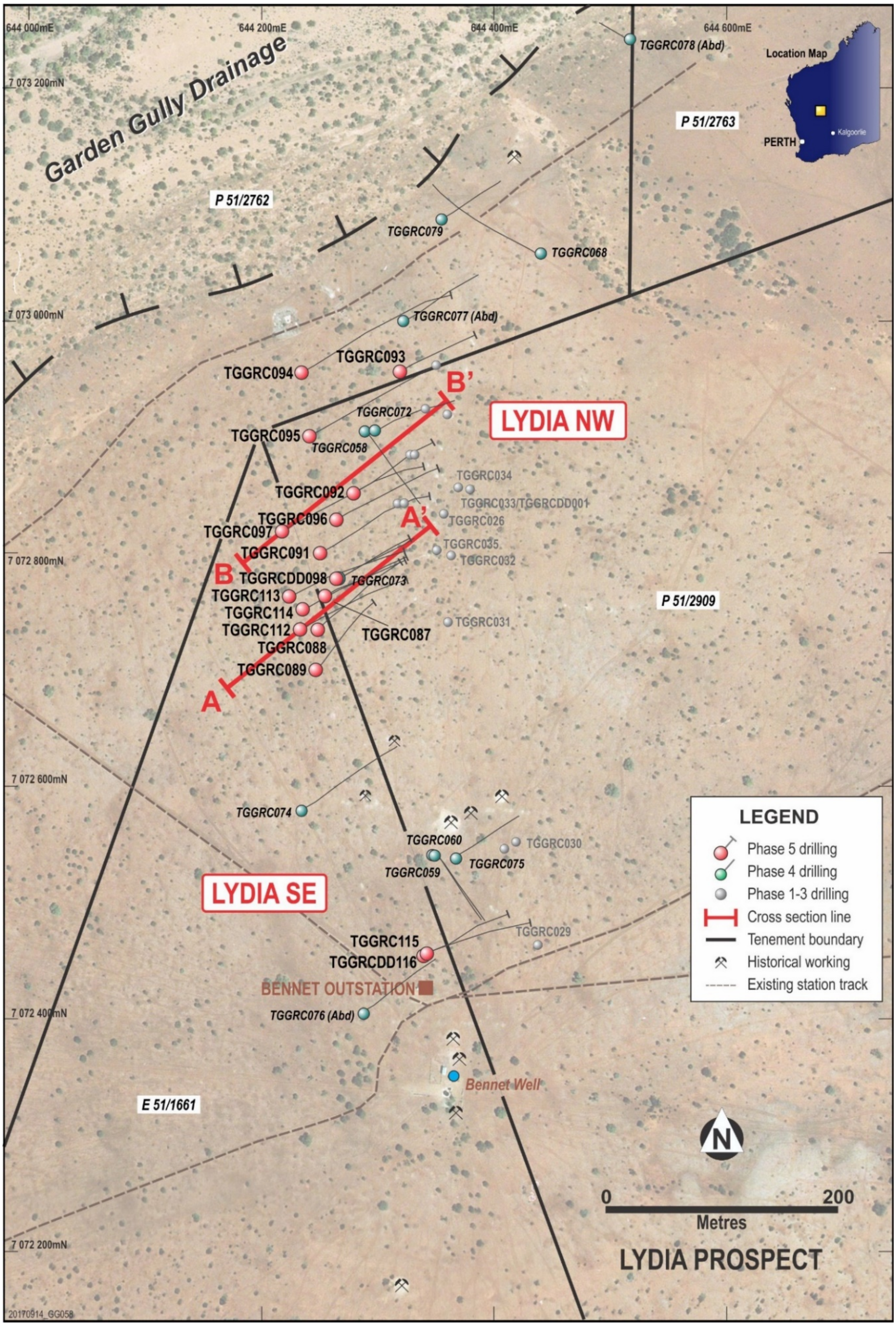

Figure 23. Distribution and surface projection of drill hole traces at Lydia Prospect.

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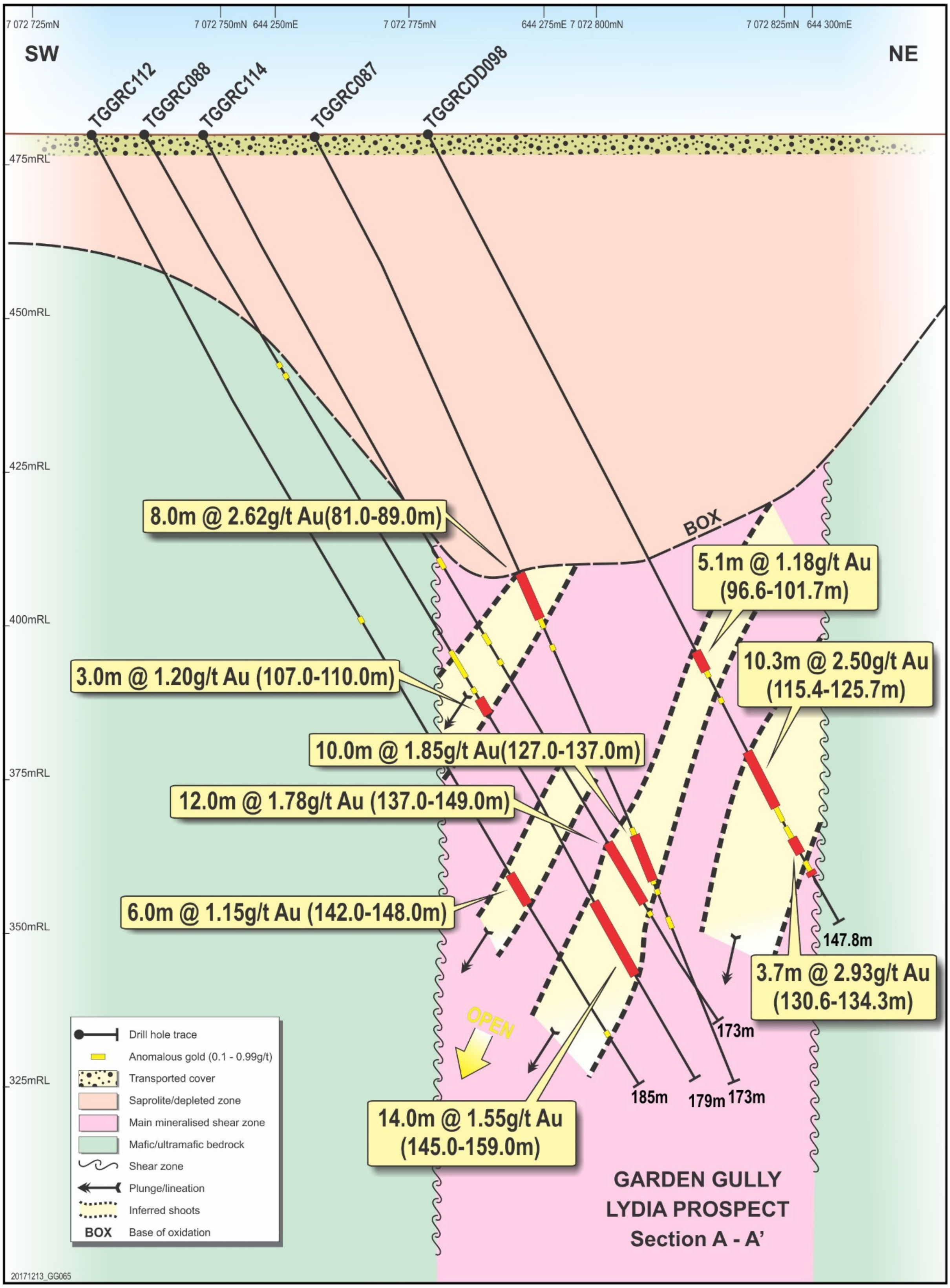

Figure 24. A-A' cross section through the main mineralised shear at Lydia NW Prospect.

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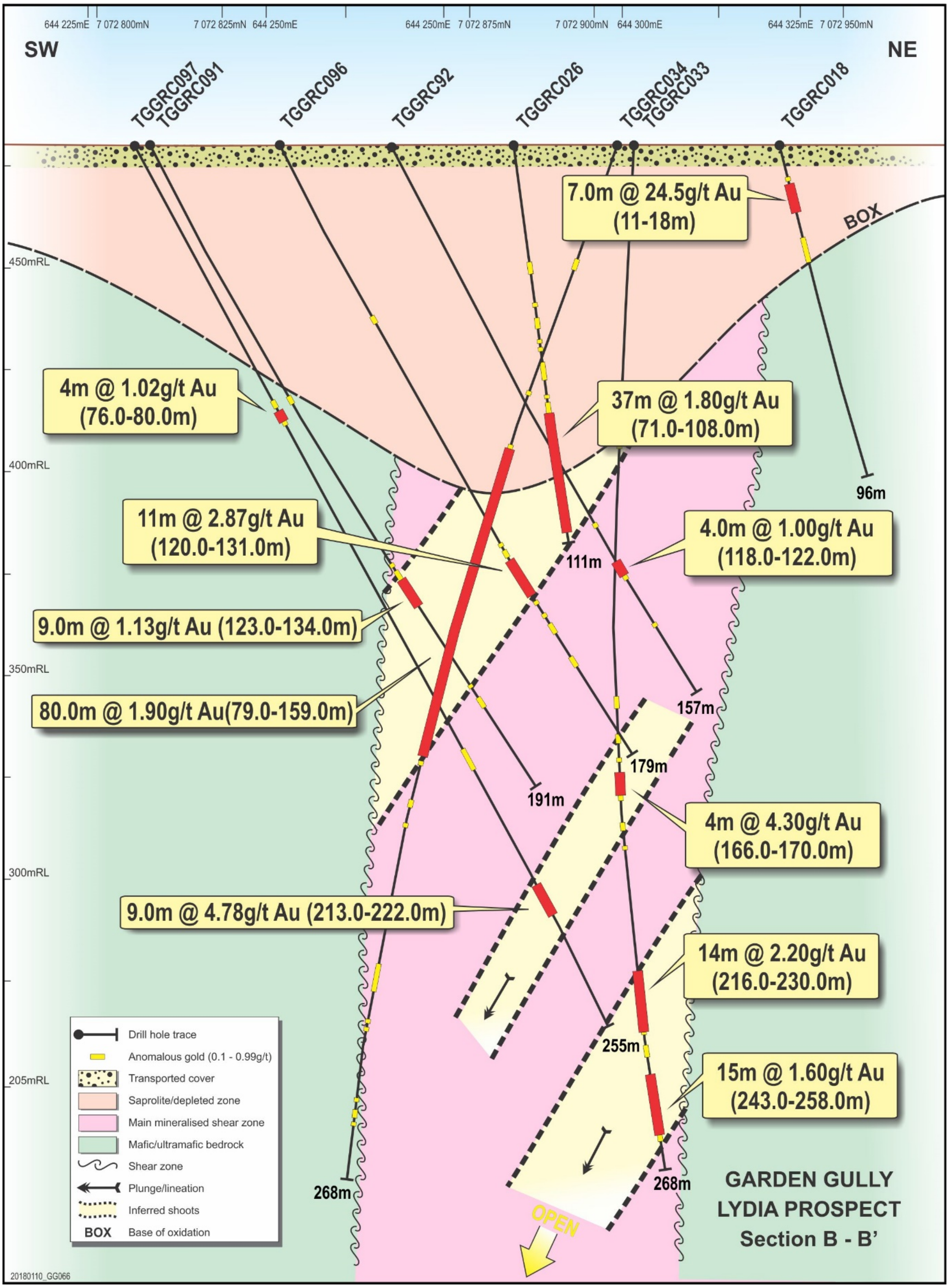

Figure 25. B-B' cross section through the main mineralised shear at Lydia NW Prospect.

Ardeal Prospect

Six AC lines (98 holes for 4,275m) tested a strong magnetic target between the Crown Prince and Battery. A complex lithological package was intersected consisting of mafic and ultramafic rocks with black shales

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and various quartz veins exhibiting elevated arsenic values. Assay results from the southern part of the prospect, where the intense magnetic anomaly appears to be dismantled by late structures, returned several "spikes" in gold values. Two distinct black shale units, previously delineated by ground induced polarisation surveys, offer potential to host VHMS mineralisation. A high magnetic trend, inferred to be attributed to a thick ultramafic unit, should be tested at depth in the next exploration phase and consequently the untested western part of the Battery Prospect, which appears to be linked with this feature, will also be drill tested.

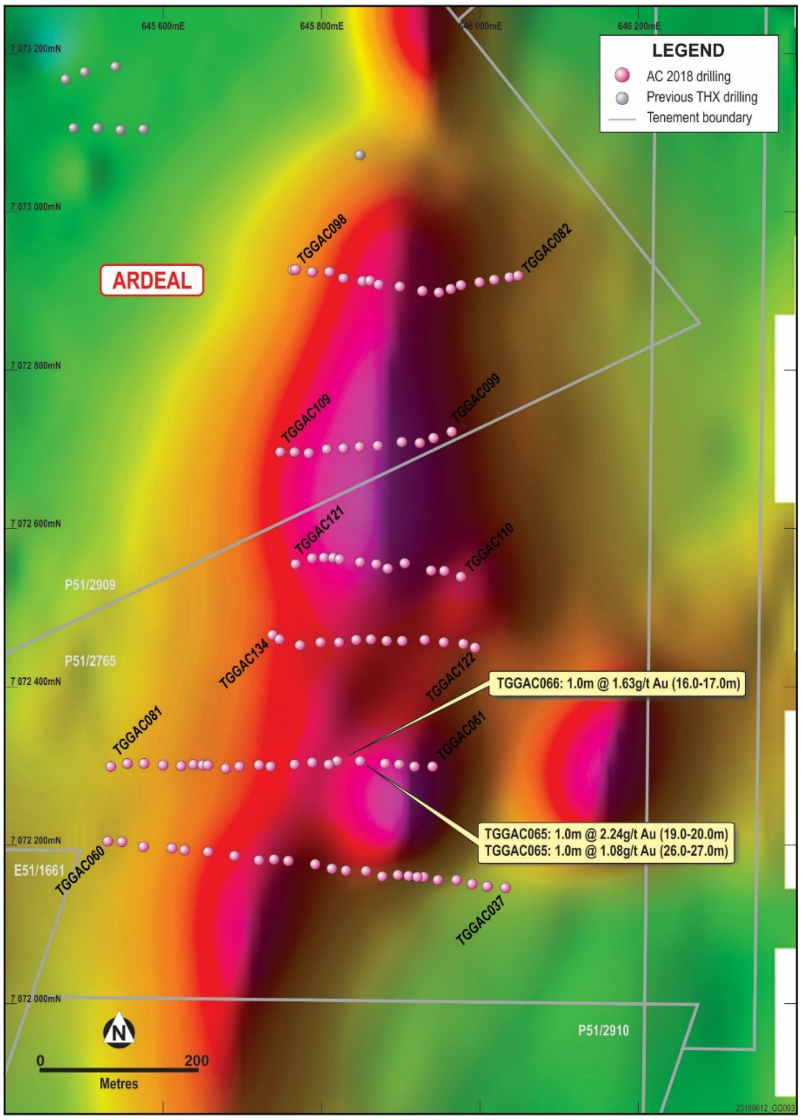

Figure 26. AC drill hole distribution at the Ardeal Prospect: shown on the TMI image

Transylvania Prospect

Supergene gold mineralisation was intersected on the median part of three of the six AC lines. Most of the intersections are within the weathering profile; with gold values sourced from two inferred sub-vertical shear zones located under the old diggings (refer cross-section in Figure 27).

A SAM survey delineated multiple potential gold targets in areas of structural complexity (Figure 28). Ground mapping and further RC drilling followed by diamond tails are contemplated to follow up these new drill targets: the tenement shows potential for shallow supergene gold grades under very thin transported cover.

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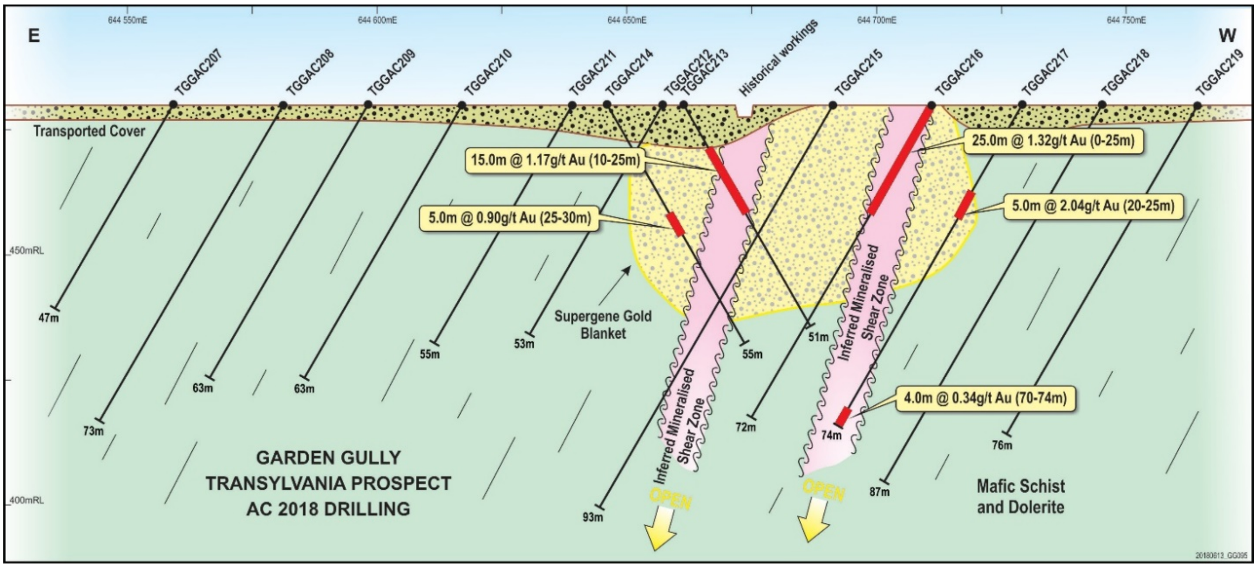

Figure 27. Cross section with gold intercepts on the central AC line at Transylvania Prospect

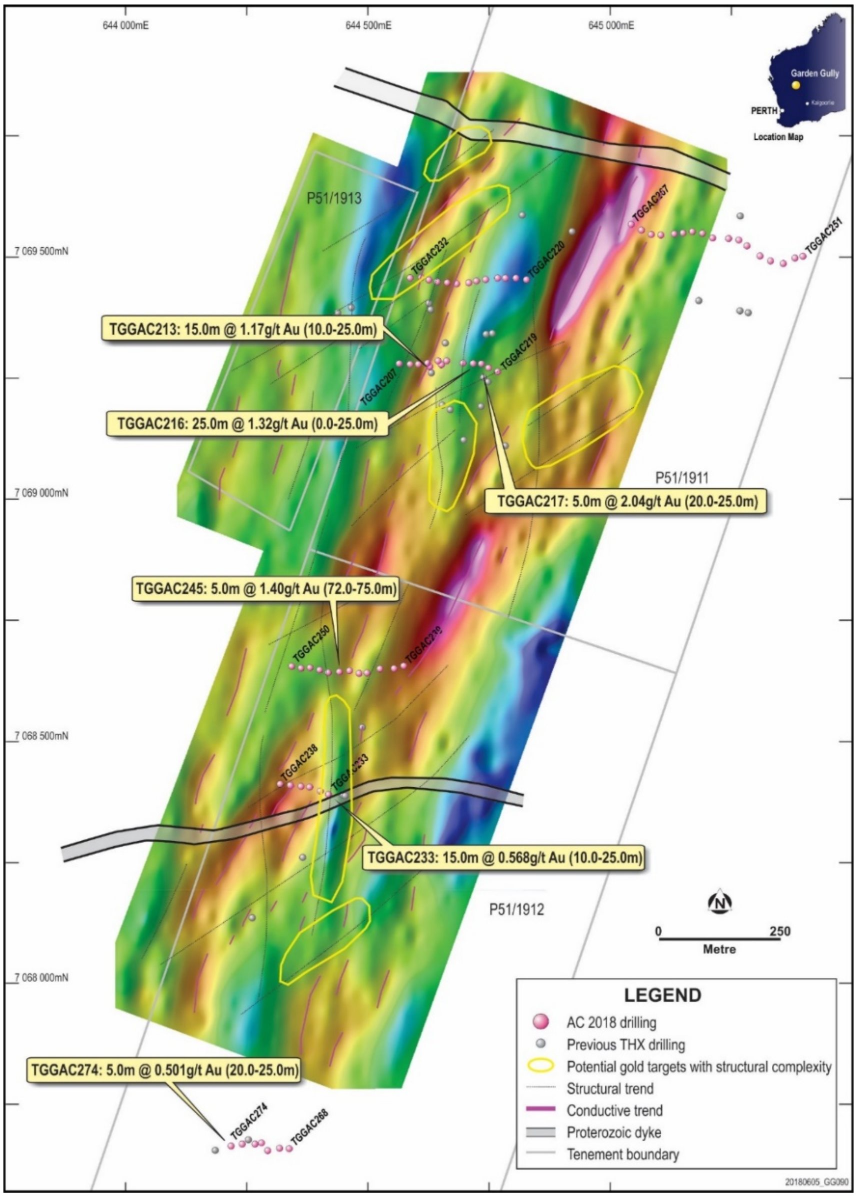

Figure 28. AC drill hole distribution at central part of Transylvania Prospect: SAM (MMC) image.

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Young Prospect

Supergene gold mineralisation was tested, with TGGAC181 returning high grades between 14-19m (5.0m at 6.87 gAu/t) with native gold panned from the 16-17m interval. This inferred complex shear zone hosting the gold grades is located 150m WSW of the old diggings. A SAM survey was undertaken, followed by detailed mapping, to unravel the structural setting of the gold mineralisation.

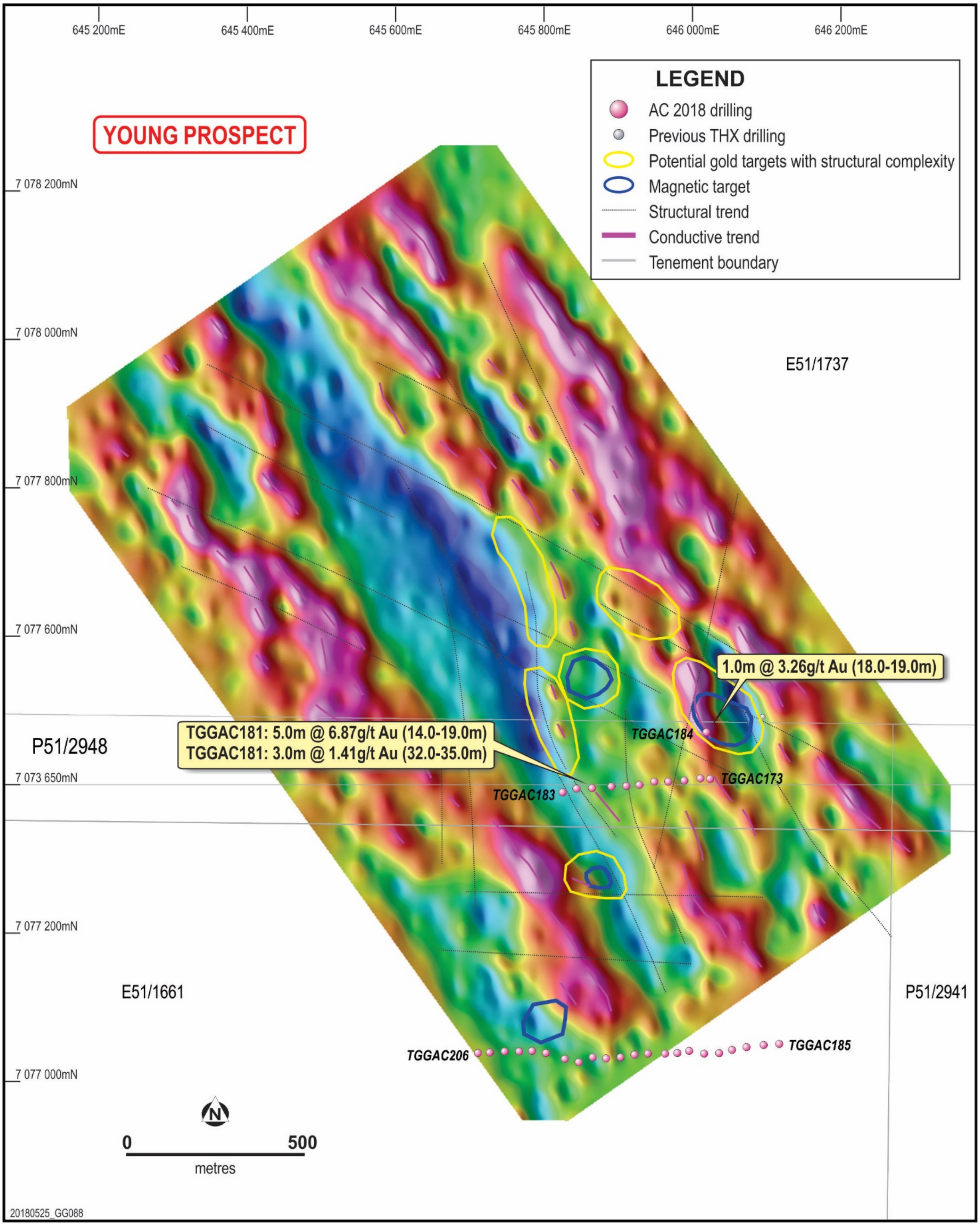

Figure 29. AC drill hole distribution over the SAM (MMC) image at the Young Prospect area

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The conductive trends in Figure 29 are from magneto metric conductivity ("MMC") imaging derived from the ground SAM survey. Six potential gold targets were delineated, all located within structural intersections. Four small magnetic anomalies were also identified and will be investigated by detailed mapping. The inferred mineralised shear zone on the western end of the northernmost line is shown in cross-section in Figure 30.

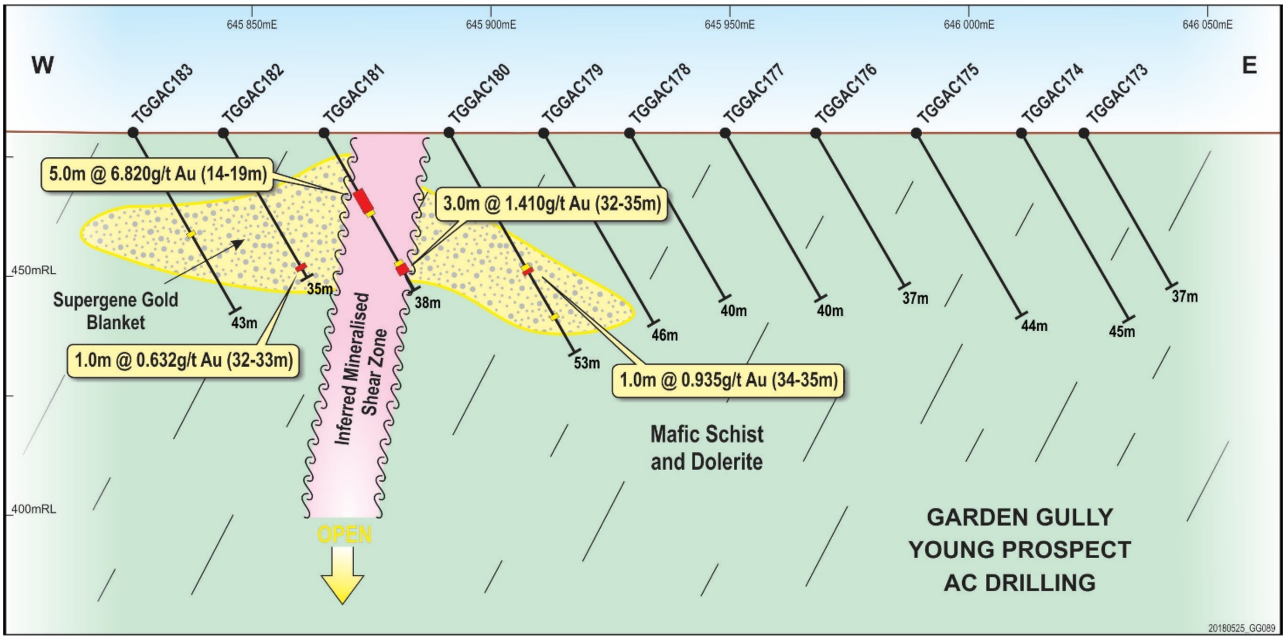

Figure 30. Cross section with gold intercepts on the northern line at Young Prospect

Conclusions

The exploration results have advanced our understanding of the controls on the mineralisation at both Lydia and Crown Prince, extending the main lode at the latter by at least 130m down plunge and delivering proof that the high grades that were mined near surface are also present at depth in the primary zone.

At Lydia the main mineralisation appears to be concentrated in two broad zones: Lydia NW and Lydia SE, within a zone of shearing that trends NNW-SSE.

The drilling at Crown Prince has demonstrated that the Main Lode appears to extend to depth. The exact geometry of the mineralisation, and its controls, still require further data to unravel what is a complex structural environment. The fact that our planned holes were able to intersect the interpreted extensions of the Main Lode is very gratifying and means that we are getting closer to unlocking the structural controls governing the gold mineralisation of the deposit.

Drilling carried out at Crown, Battery, Transylvania and Granite Well prospects is also still at a relatively early stage. Initial geological interpretations support the hypothesis that these targets could prove to be extensions or repetitions of the mineralisation styles already identified at Lydia and Crown Prince.

The acquisition of the Abbotts Project ground and the associated geological data will allow your Company to expand the potential of this remnant greenstone belt, which has been relatively unexplored at depth. Our increasing understanding of the unquestionably important structural controls will govern the work programmes for 2019. The areas to the north-east of Crown Prince are an immediate high priority target.

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White Well Gold Project, WA (THX 100%)

White Well, located about 90km northeast of Meekatharra, comprised 2 PLs for a total area of 308ha (~3km^2). Review of the exploration data generated to date did not reveal a high probability of near-term discovery of commercial mineralisation and consequently the tenements were surrendered.

Paynes Find Gold Project, WA (THX 100%)

Paynes Find comprises 1 EL and 2 PLs for a total area of approximately 28km^2. The Project is located approximately 140km south of Mount Magnet along the Great Northern Highway. Review of the exploration data generated to date did not reveal a high probability of near-term discovery of commercial mineralisation and consequently the tenements were surrendered.

Doolgunna Projects, WA
Red Bore (THX 90%); and Curara Well (THX 90%)

Red Bore is a granted Mining Licence (M52/597), two square kilometres in area, located about 900km NNE of Perth in the Doolgunna region of Western Australia. Its western boundary is less than 600m from Sandfire Resources NL's operating DeGrussa copper-gold mine's processing plant.

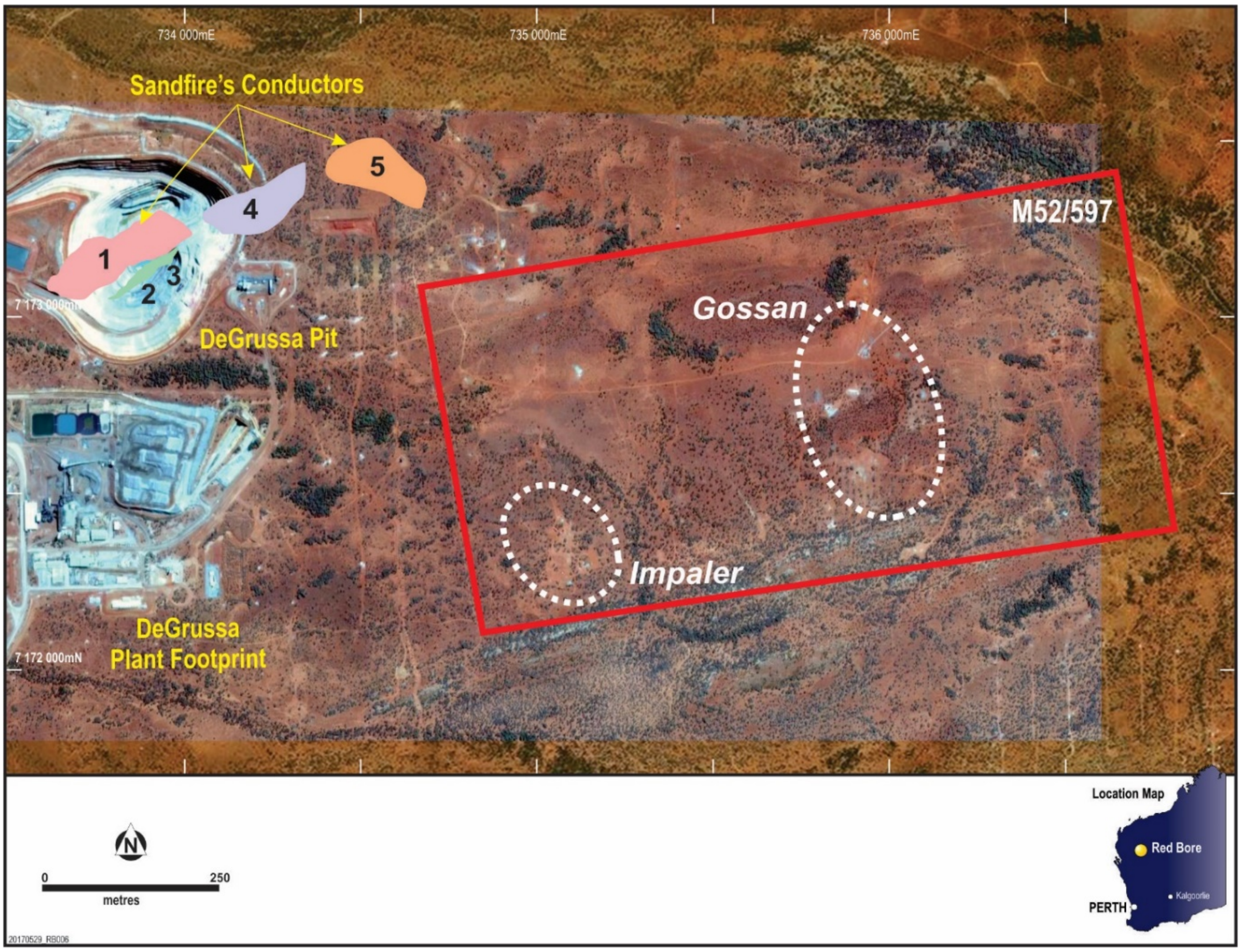

Figure 31. Red Bore lease on Landsat image with Gossan and Impaler target zones. Surface trace of Conductor orebodies (to scale) and location of DeGrussa pit and plant show proximity of Red Bore to Sandfire's infrastructure.

During the year our Joint Venture partner W Richmond conducted various exploration activities and reported to Thundelarra, as summarised below. Activities included an extensive review of all previous exploration

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carried out on the licence, by both Thundelarra and other companies. Previous geophysical survey data were reprocessed and re-imaged, including the aeromagnetic, airborne radiometric, airborne digital elevation and ground gravity data. Existing EM, IP and MT survey data are also being re-processed. All existing geochemical assay data from both soil and drill samples were reviewed and re-plotted to highlight potential anomalous zones for follow-up.

The tenement was visited to establish access routes and the surface geology was re-mapped.

An extensive aircore drill programme was completed to test the regolith for geochemical anomalies in undrilled areas containing Narracoota Formation volcanic and sedimentary units:

"The AC drilling program finished with 307 holes for a total of 10,796m, average hole depth is 35m, and average daily drilling rate was 450m over the life of the program. THX staff were notified about drilling and sampling progress during the program. Drilling samples consisted of 1kg drill spoil placed into pre-numbered calico sample bags, which were placed into polyweave bags at a rate of 20 samples per bag, which were sealed with wire ties, and the polyweave bags were then weighed and placed into sealed 500kg bulk bags for transport from site to a secure yard in Meekatharra, before final transport to the ALS laboratory in Wangara.

Nominal 3m sample intervals were systematically collected to be analysed for low level Au and Cu, and end of hole 1m intervals of the least weathered bedrock material were collected for multi-element assaying. Assaying was completed by the lab just at the end of the Quarter, and assay information and geological drill-log information has been entered into digital databases. Just prior to this report, details on the sampling and assay methods have been provided to THX in a JORC format draft Appendix 2 document, and final assay results have been provided to THX as ALS laboratory reports and a drilling database with hole information, lithology and assay results for Cu and Au, including as a separate database for end-of-hole samples that were separately analysed for multi-elements to carry out litho-geochemical mapping and targeting studies.

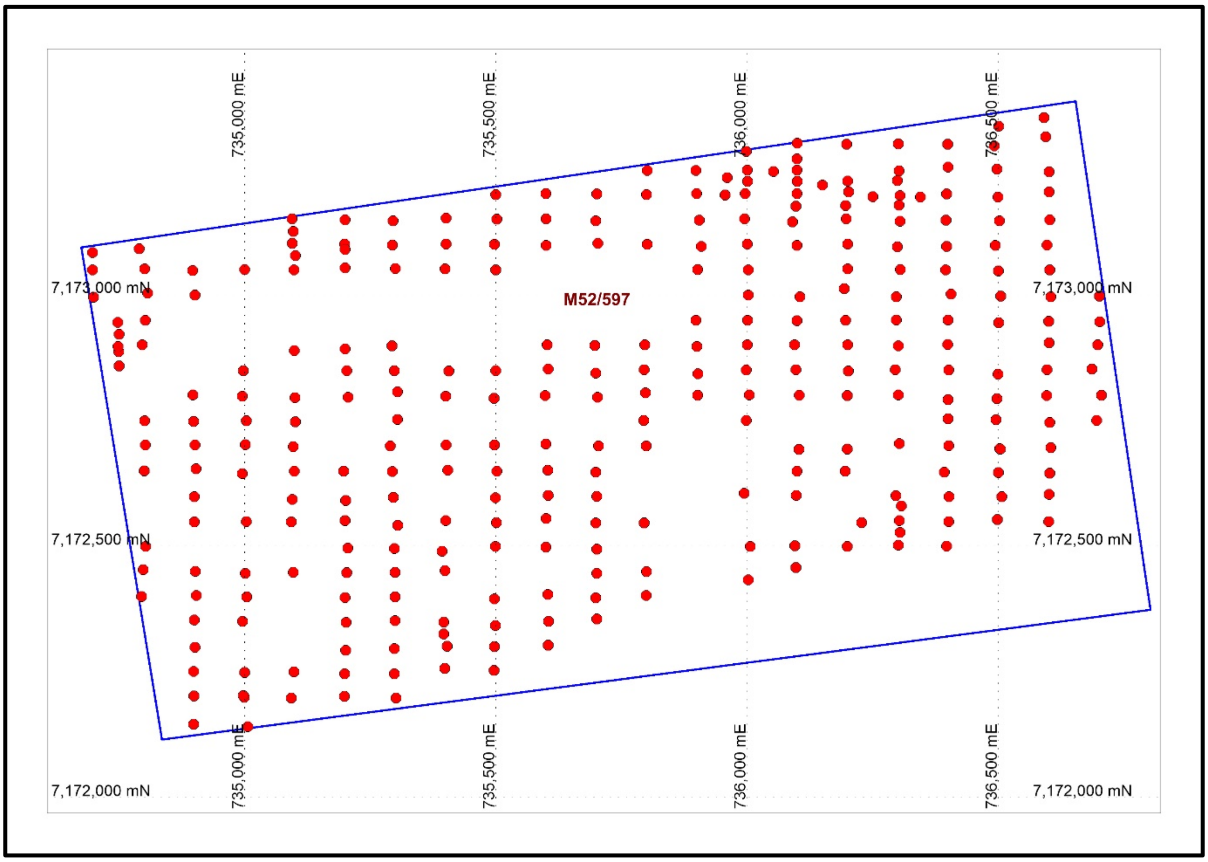

Figure 32. Red Bore. AC drilling programme collar locations. Datum is GDA94. Projection is MGA50.

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Analysis of assay results is currently ongoing, both internally by staff from Resource Potentials, and by CSA Global who have been commissioned to carry out a detailed study on the litho-geochemistry data using world class consultants.

Rehabilitation of drilling tracks and sample piles will be carried out once targets have been identified and sites for deep drilling using RC and diamond drilling have been decided on, so that tracks to those sites can be left open, and then the other AC drilling tracks and all AC samples piles will then be rehabilitated in a timely manner."

The work carried out during the last quarter of the financial year – the September 2018 Quarter – was summarised as follows:

"Review of technical data and reports remained ongoing, and included merging of historical drilling data with recent drilling data, generate maps at a scale of 1:2,500 for ongoing interpretation work. Air-core drilling program completed during the previous quarter: drilling data were entered into two air-core drilling databases with assay, lithology and hole collar information.

Regolith intervals of BOCO, top of saprock and top of fresh bedrock were gridded and imaged, and compared to gravity data, showing a strong correlation between the two, where dolerite layers had shallow weathering following gravity highs, and lower density sediment layers were deeply weathered and correlated to gravity low zones.

CSA Global were commissioned to carry out a litho-geochemical study on the assay and hyperspectral results in order to provide an independent opinion on the geological nature of the EOH rock samples, their potential hydrothermal alteration and potential for hosting DeGrussa style Cu-Au mineralisation. Some rock chip samples related to anomalous geochemical samples were analysed for petrographic descriptions. The CSA Global report recommended target areas based on the aircore EOH data alone, and these target areas were taken into consideration for planning follow-up reverse circulation (RC) drilling.

Figure 33. Location of the planned RC holes and access tracks.

A total of 19 RC drillholes were planned and budgeted to be carried out as follow up to aircore assay anomalies, based on anomalous zones identified from the 3m composite database, EOH database, and CSA analysis of the EOH database, as well as modelled weak EM conductor plates following review of historical EM survey data. All RC drillholes were planned to drill to the north at an azimuth of 000 degrees and dip of 60 degrees. One deep drillhole was planned to test a theory that the main E-W trending ridge of outcropping dolerite in the northern part of the mining lease forms an anticlinally folded sill structure at its widest part, and anomalous Cu and Au in shallow drilling into the western part of the sill could be upward leakage from a massive sulphide mineralised body hosted in sediments within the core of this anticlinal structure. Therefore, a 400m deep RC pre-collar would be drilled towards this target, and then be followed up with NQ diamond core drilling to a depth of 700-800m. Two large sumps were dug at this hole location for the diamond follow

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up drilling. The total planned RC metres for this program is about 4,500m, but this may be more or less, depending on keeping within a budget and any positive results encountered during the program. A PoW application was lodged with the DMIRS, and THX were notified of the proposed RC drilling program works and application during this process.

A high powered fixed loop electromagnetic (FLEM) survey was carried out using two EM transmitter wire loops, 100m spaced survey lines and 50m spaced recording stations along each survey line. This EM survey system has the ability to detect conductive bodies to a depth of 500m or more, whereas previous moving-loop EM surveying at Red Bore was depth limited to about 300m. The main purpose of this survey was to try and detect massive sulphide mineralisation along the same trend as the Gossan and Impaler prospects, and try to detect any deep extensions to these small deposits along an E-W trend for deep drill testing. Other areas to the north of the Gossan-Impaler trend were also surveyed inside of the FLEM transmitter loops in case a deep conductive body could be detected. Analysis of the FLEM survey data remains ongoing at the time of this report.

Orlando Drilling were contracted and RC drilling commenced on 22 September 2018, starting with the pre-collar to the deep diamond drillhole, and this drilling was ongoing at the end of the quarter."

It is anticipated that the work completed to date, including the follow-up RC and diamond drilling, will incur sufficient expenditure to satisfy Mr Richmond's commitment to sole fund at least $1.5 million on exploration at Red Bore by late January 2019. That alone would not change the equity interests in the Red Bore project, which would remain at Thundelarra 90% and Mr Richmond 10%. To increase his equity interest in the licence W Richmond must define at least 30,000 tonnes of copper or copper equivalent that comply with JORC 2012 resource guidelines, to earn an extra 75%. Interest in Red Bore would then be Thundelarra 15% free carried and W Richmond 85%.

Thundelarra maintains the view that Red Bore remains prospective. Studies confirm the interpretation that the Gossan mineralisation is remobilised. The current exploration continues to investigate all possibilities for the location of the hidden source that is eluding discovery.

W Richmond's commitment to sole fund $1.5 million (excl GST) on exploration by late January 2019 equates to an aggressive work programme that includes RC and diamond drilling, under the geological oversight of Resource Potentials, technical consultant to W Richmond. To date Thundelarra has received no advice of any material intersections from the drilling programme, but the evaluation continues, always with the possibility of a discovery. Any discovery is highly significant for Thundelarra and its shareholders, as Thundelarra will be the only ASX-listed entry through which any investors could gain exposure to any exploration success at Red Bore.

Curara Well

The 90%-owned **Curara Well** project is about five kilometres north of the Red Bore project. No field work of significance was carried out at **Curara Well** during the year. Thundelarra is reviewing all exploration data in order to establish the most appropriate future course of action for the project.

The area does remain geologically prospective based primarily on previous work that 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, our exploration proved that the JFZ actually dips steeply the other way (to the northwest). The significance of this interpretation is that 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.

The geological models at Curara Well remain valid but significant additional work would be needed to target the locations and settings there that may represent the best potential for a discovery. Exploration currently focuses on our gold portfolio, and specifically on Garden Gully with the acquisition of the Abbotts ground.

No field work was carried out at the **Curara Well** project during the year and Thundelarra is reviewing the exploration data in order to establish the most appropriate future course of action for the project.

CEO'S REVIEW OF OPERATIONS

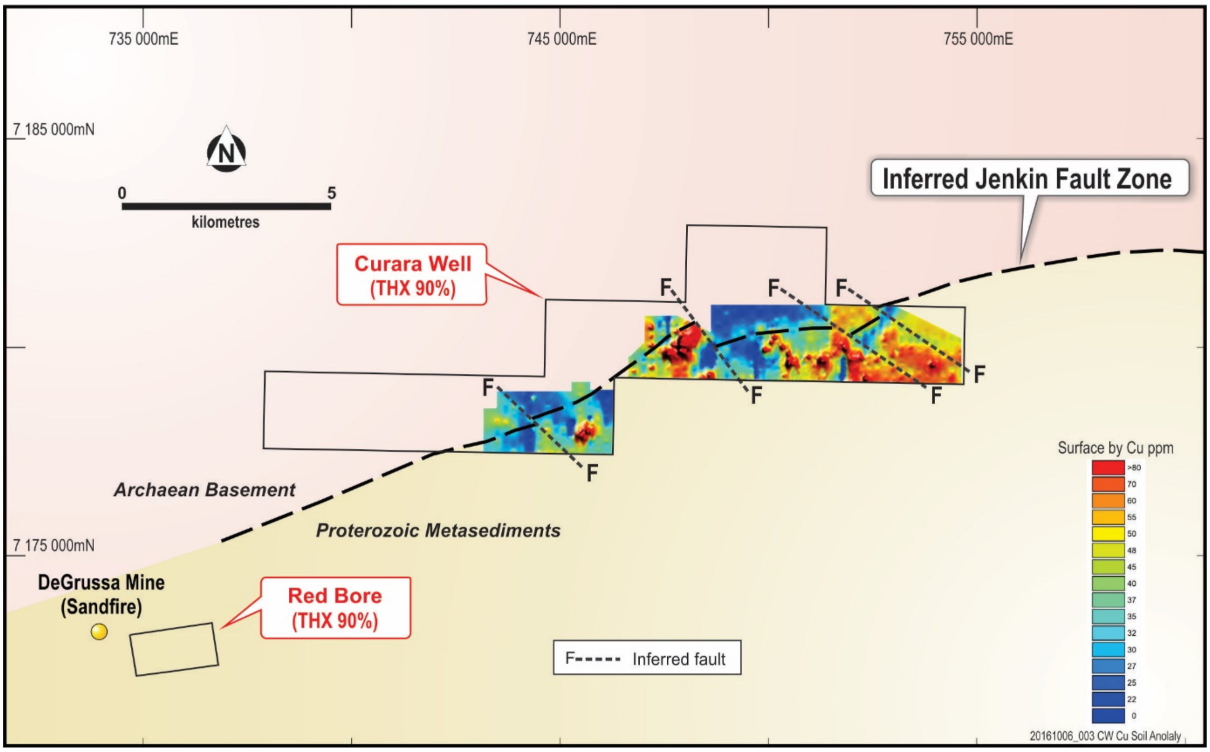

Figure 34. Red Bore (M52/597) and Curara Well (E52/2402) locations relative to DeGrussa. Copper in soil anomalies.

Sophie Downs, East Kimberley, WA (THX 100%)

Sophie Downs is approximately 30km to the north-east of Halls Creek in the East Kimberley region of Western Australia on Thundelarra's 100%-owned exploration license EL 80/3673.

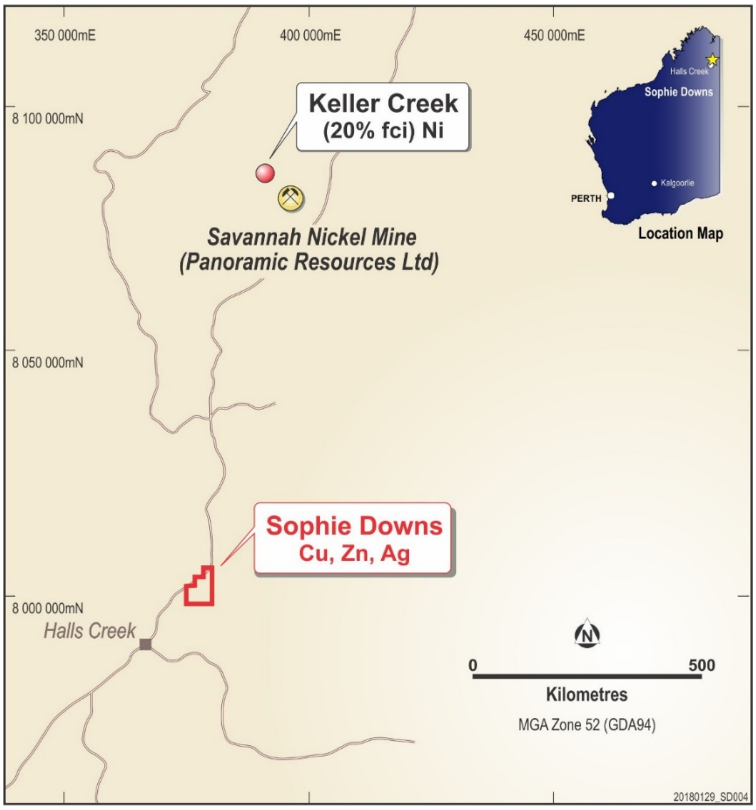

Figure 35. Sophie Downs and Keller Creek regional location map.

CEO'S REVIEW OF OPERATIONS

An RC drilling programme was undertaken but was not able to be completed due to repeated mechanical malfunctions. Three RC drill holes were collared and a total of 420m advance was drilled, but the holes did not complete to allow the planned targets to be tested and there were no significant intersections in the holes drilled. The onset of rain then rendered a number of creek crossings impassable, preventing access to other planned drill sites. The targets identified for drill testing remain untested to our technical satisfaction.

Conductors generated from earlier ground electromagnetic (EM) surveys that could be graphitic horizons or possibly massive sulphides were among the targets. The possibility of extensions or repetitions of the zinc sulphide intersections from previous programmes was also to be tested as part of the planned programme. Given the continued strength in the market appetite for graphite, and the fact that zinc has hit its highest price since July 2007, the drill programme will be revisited when ground access conditions permit.

Detailed local ground reconnaissance and surface geological mapping was undertaken while attempts were underway to repair the rig's mechanical issues. This work identified a number of targets that may have potential for gold mineralisation and it is planned to test these when a new exploration programme can be scheduled. Halls Creek was the location of the first gold discovered in Western Australia in 1885 – before the Coolgardie gold rush that started in 1892, to be followed by Kalgoorlie's Golden Mile the next year.

Keller Creek, East Kimberley, WA (THX 20% fci)

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: geophysical surveys indicate that the nickel mineralisation at depth extends possibly up to 2 kilometres to the west, beneath the Keller Creek tenement. This could effectively represent the long-term future of the Savannah mine and the potential that this extension represents is significant to Thundelarra. As Panoramic continues exploration on this mineralisation into 2018 and beyond, any successes should, in theory, translate to additional value for Thundelarra too. We look forward to developments at Keller Creek with great anticipation.

Allamber Project, Pine Creek, NT (THX 100%)

Allamber is approximately 180km south-east of Darwin and is part of the Pine Creek Orogen. The project is very well served by regional infrastructure, with sealed road, rail, and a gas pipeline running within 25km of the project area.

No work was carried out at Allamber during the Quarter. The station on which most of the Allamber project lies was finally sold during the September Quarter, following the unfortunate passing of the pastoralist. Under Northern Territory regulations, land access agreements need to be struck to permit exploration activities. Our efforts to contact the new owners have not yet been successful and so are continuing, as we need to initiate a relationship with them so that land access terms can be agreed and documented in order to comply with the relevant Northern Territory legislation.

Following a review of the technical data, coupled with the still depressed uranium market and the unresolved challenges in establishing an access agreement with the new owners of the pastoral lease, Thundelarra resolved to relinquish the Allamber tenements in order to focus on the flagship Garden Gully gold project.

CORPORATE

Thundelarra continues to explore its projects with a focus on technical rigour and efficiency. The Board is always on the lookout for new opportunities that would fit with our commodity focus and could offer value uplift for shareholders. During the year we participated in a syndicate bid for the Andy Well plant and mining operation that was ultimately unsuccessful, but we were successful in our bid to secure the Abbotts Gold Project that Doray offered for sale at the same time as their Andy Well and Gnaweedah assets,

CEO'S REVIEW OF OPERATIONS

At the end of the reporting period Thundelarra had $1.5 million cash at bank and we are actively considering the different options open to us to allow continued and effective exploration of our flagship Garden Gully project.

Thundelarra remains very upbeat about our exploration prospects and the geological and technical potential of our targets, especially with the acquisition of Abbotts to increase the Garden Gully footprint almost six-fold and thus acquire almost an entire remnant greenstone belt in a proven gold production setting. Although the past six years have been unquestionably challenging, we continue to explore and the results to date have delivered spectacular evidence of mineralisation without, unfortunately, translating immediately to a new mining development. Results to date at Garden Gully, including the visible free gold intersected in drill core testing for extensions at depth beneath the mineralisation at the historic Crown Prince operations, augur very well for our planned programmes. Exploration continues at Red Bore without any requirement for contribution to expenditure by Thundelarra, yet we retain a 90% exposure to any exploration success there. We firmly believe that Thundelarra continues to offer excellent potential for significant discoveries and market re-rating.

MINERAL RESOURCES AND ORE RESERVES STATEMENT:
RED BORE COPPER-GOLD PROJECT

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.

Red Bore comprises one granted Mining Licence M52/597 and is a joint venture between Thundelarra (90%) and Mr W 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**

Since the original resource was reported in 2012, there have been no subsequent exploration results that would warrant a recalculation of the resource.

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.

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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 2018.

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	
Mr Rick W Crabb	Non-Executive Director	Appointed 20 November 2017

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 $5,135,510 (2017 – loss $2,568,079).

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 2018 financial statements:

Acquisition of Abbotts Gold Tenements

In October 2018, the Company executed a binding Sale Agreement to acquire the Abbotts Gold Project from Doray Minerals Limited. The Abbotts Gold Project comprises of 13 granted tenements that cover approximately 450 square kilometres surrounding and abutting the Company's Garden Gully Project. The Company has agreed to issue Doray Minerals Limited with 11 million ordinary shares in the capital of the Company as consideration for the Abbotts Gold.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

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

ENVIRONMENTAL ISSUES AND REGULATIONS

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

CORPORATE INFORMATION

Thundelarra Limited	Parent entity
Element 92 Pty Ltd	100% owned controlled entity
Red Dragon Mines Pty Ltd	100% owned controlled entity

DIRECTORS' REPORT

INFORMATION ON DIRECTORS

PHILIP G CRABB	***Non-Executive Chairman***
Qualifications	*FAusIMM, MAICD*
Skills and Experience	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 48 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	None.
Former Directorships in last three years	Magnetite Mines Limited from 2005 to 2014. Aldershot Resources Limited from 2010 to 2018.
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	77,861,395 Fully paid ordinary shares. 10,000,000 Quoted options expiring 30 September 2019 exercisable at 5 cents each. 750,000 Unquoted options expiring 26 February 2021 exercisable at 8 cents each. 3,000,000 Unquoted options expiring 23 February 2022 exercisable at 7 cents each.

MALCOLM R J RANDALL	***Non-Executive Director***
Qualifications	*B.Applied Chem, FAICD*
Skills and Experience	Mr Randall holds a Bachelor of Applied Chemistry Degree and is a Fellow of the Australian Institute of Company Directors. He has extensive experience in corporate, management and marketing in the resource sector, including more than 25 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	Magnetite Mines Limited (since 2006). Summit Resources Limited (since 2007). Spitfire Oil Ltd (since 2007). Kalium Lakes Limited (since 2016). Argosy Minerals Limited (since 2017).
Former Directorships in last three years	MZI Resources Limited (formerly Matilda Zircon Ltd) from 2009 to 2016.
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	1,960,000 Fully paid ordinary shares. 280,000 Quoted options expiring 30 September 2019 exercisable at 5 cents each. 1,500,000 Unquoted options expiring 28 February 2019 exercisable at 6 cents each. 750,000 Unquoted options expiring 26 February 2021 exercisable at 8 cents each. 2,000,000 Unquoted options expiring 23 February 2022 exercisable at 7 cents each.

DIRECTORS' REPORT

FRANK DEMARTE	***Executive Director***
Qualifications	*BBus(Acct), FGIA, FCIS, FAICD*
Skills and Experience	Mr DeMarte has over 35 years of experience in the mining and exploration industry in Western Australia. Mr DeMarte has held executive positions with a number of listed mining and exploration companies and is currently an Executive Director, Company Secretary and Chief Financial Officer of the Company. Mr DeMarte is experienced in areas of secretarial practice, management accounting and corporate and financial management. Mr DeMarte holds a Bachelor of Business majoring in Accounting and is a Fellow of the Governance Institute of Australia Ltd. A Fellow of the Chartered Secretaries of Australia and a Fellow of the Australian Institute of Company Directors. Mr DeMarte was appointed a director on 30 April 2001.
Other current Directorships	Magnetite Mines Limited (since 2004).
Former Directorships in last three years	None.
Special Responsibilities	Member of Nomination Committee from December 2004. Member of Remuneration Committee from April 2013. Chief Financial Officer and Company Secretary.
Interest in Shares and Options at the date of this report	6,911,740 Ordinary shares. 928,274 Quoted options expiring 30 September 2019 exercisable at 5 cents each. 1,500,000 Unquoted options expiring 26 February 2021 exercisable at 8 cents each. 5,000,000 Unquoted options expiring 28 February 2019 exercisable at 6 cents each. 3,000,000 Unquoted options expiring 23 February 2022 exercisable at 7 cents each.

RICK W CRABB	***Non-Executive Director***
Qualifications	B. JURIS (Hons), LLB, MBA, FAICD
Skills and Experience	Mr Crabb holds degrees of Bachelor of Jurisprudence (Honours), Bachelor of Laws and Master of Business Administration from the University of Western Australia. He practiced as a solicitor from 1980 to 2004 specialising in mining, corporate and commercial law. He has advised on all legal aspects including financing, marketing, government agreements and construction contracts for many resource development projects in Australia and Africa. Mr Crabb now focuses on his public company directorships and investments. Mr Crabb was a Councillor on the Western Australian Division of the Australian Institute of Company Directors from 2008 to 2017. Mr Crabb was appointed a director on 20 November 2017.
Other current Directorships	Paladin Resources Ltd (since 1994) Eagle Mountain Mining Limited (since 2017
Former Directorships in last three years	Golden Rim Resources Ltd from 2001 to 2017. Otto Energy Limited from 2004 to 2015. Lepiidco Ltd (formally Platypus Minerals Limited) from 1999 to 2015.
Special Responsibilities	Member of Nomination Committee from November 2017. Member of Audit Committee from November 2017. Member of Remuneration Committee from November 2017.
Interest in Shares and Options at the date of this report	3,485,392 Ordinary shares. 497,915 Quoted options expiring 30 September 2019 exercisable at 5 cents each.

DIRECTORS' REPORT

COMPANY SECRETARY

FRANK DEMARTE *BBus (Acct), FGIA, FCIS, FAICD*

The Company Secretary is Mr Frank DeMarte. Mr DeMarte has over 35 years of experience in the mining and exploration industry in Western Australia and has held executive positions with a number of listed mining and exploration companies.

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

SHARES UNDER OPTION

As at the date of this report, there were:

- 29,350,000 unissued ordinary shares of the Company under option as follows:

Date options issued	Expiry date	Exercise price of options	Number of options
28 February 2014	28 February 2019	$0.06	11,500,000
26 February 2016	26 February 2021	$0.08	3,000,000
15 November 2016	14 November 2019	$0.06	4,350,000
24 February 2017	23 February 2022	$0.07	8,000,000
19 December 2017	18 December 2020	$0.04	2,500,000

- 109,297,721 are quoted options expiring on 30 September 2019 exercisable at $0.05 per option.

Date options issued	Expiry date	Exercise price of options	Number of options
28 September 2017	30 September 2019	$0.05	50,843,940
3 October 2017	30 September 2019	$0.05	58,453,781

During the financial year:

(1) 4,000,000 options exercisable at $0.10 expired on 30 June 2018; and
(2) 3,150,000 options exercisable at $0.08 expired on 4 September 2018.

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.

CORPORATE GOVERNANCE STATEMENT

A copy of the Thundelarra Limited Corporate Governance Statement is available on the Company's website at http//www.thundelarra.com/corporate_governance:

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

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

(a) Details of Key Management Personnel

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

Philip G Crabb	Non-Executive Chairman	Rick W Crabb	Non-Executive Director
Frank DeMarte	Executive Director	Antony L Lofthouse	Chief Executive Officer
Malcolm R J Randall	Non-Executive Director		

(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.

The amount of aggregate compensation sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually.

DIRECTORS' REPORT

REMUNERATION Report (Audited) (continued)

(b) Compensation of Key Management Personnel (continued)

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 $90,000 per annum effective from 1 July 2016 ($62,000 per annum prior to 1 July 2016) 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 2018 is detailed as per the disclosures on page 43.

(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.

Since an annual review of the remuneration for the executives in July 2014, there has not been any changes to the Chief Executive Officer remuneration of $250,000 per annum exclusive of any superannuation effective from 1 July 2014 ($175,000 per annum prior to 1 July 2014) and the Company Secretary and Chief Financial Officer of $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.

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 2018

		Short-Term			Post Employment	Other Long Term	Share Based Payment	Total $	% Remuneration
Names		Salary & Directors Fees	Annual Leave Movement	Other	Superannuation	Long Service Leave	Equity Options		Consisting of Options for the Year
Executive Director									
Frank DeMarte	**2018**	**200,000**	**(975)**	**8,730**	**19,000**	**9,487**	**-**	**236,242**	**-**
	2017	200,000	(6,154)	6,935	19,000	-	73,800	293,581	25%
Non-Executive Directors									
Malcolm R J Randall	**2018**	**49,000**	**-**	**-**	**4,655**	**-**	**-**	**53,655**	**-**
	2017	49,000	-	-	4,655	-	49,200	102,855	48%
Philip G Crabb	**2018**	**90,000**	**-**	**1,611**	**8,550**	**-**	**-**	**100,161**	**-**
	2017	90,000	-	1,071	8,550	-	73,800	173,421	43%
Rick W Crabb (1)	**2018**	**42,404**	**-**	**-**	**4,028**	**-**	**-**	**46,432**	**-**
	2017	-	-	-	-	-	-	-	-
Executive									
Antony L Lofthouse	**2018**	**250,000**	**1,667**	**7,469**	**23,750**	**-**	**17,881**	**300,767**	**6%**
	2017	250,000	1,961	5,221	23,750	-	84,300	365,232	23%
Totals	**2018**	**631,404**	**692**	**17,810**	**59,983**	**9,487**	**18,000**	**737,257**	**2%**
	2017	589,000	(4,193)	13,227	55,955	-	281,100	935,089	30%

(1) R W Crabb was appointed a director 20 November 2017.

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 2018	Balance 1 October 2017	Granted as Remuneration	On Exercise of Options	Net Change Other	Balance 30 September 2018
P G Crabb	75,727,697	-	-	900,000	76,627,697
F DeMarte	6,811,740	-	-	100,000	6,911,740
M R J Randall	1,960,000	-	-	-	1,960,000
R W Crabb (1)	-	-	-	3,485,392	3,485,392
A L Lofthouse	5,740,000	-	-	-	5,740,000
Total	90,239,437	-	-	4,485,392	94,724,829

30 September 2017	Balance 1 October 2016	Granted as Remuneration	On Exercise of Options	Net Change Other	Balance 30 September 2017
P G Crabb	55,194,289	-	-	20,533,408	75,727,697
F DeMarte	4,955,193	-	-	1,856,547	6,811,740
M R J Randall	1,400,000	-	-	560,000	1,960,000
A L Lofthouse	3,641,176	-	-	2,098,824	5,740,000
Total	65,190,658	-	-	25,048,779	90,239,437

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 20.

Compensation Options: Granted and vested during the year ended 30 September 2018.

30 September 2018	Terms and Conditions for each Grant							
Key Management Personnel	Number Vested	Number Granted	Grant Date	Fair Value per option at Grant Date ($) (Note 20)	Exercise Price per option ($) (Note 20)	Expiry Date	First Exercise Date	Last Exercise Date
P G Crabb	-	-	-	-	-	-	-	-
F DeMarte	-	-	-	-	-	-	-	-
M R J Randall	-	-	-	-	-	-	-	-
R W Crabb	-	-	-	-	-	-	-	-
A L Lofthouse	1,500,000	1,500,000	19/12/17	$0.012	$0.04	18/12/20	19/12/17	18/12/20
Total	1,500,000	1,500,000						

Compensation Options: Granted and vested during the year ended 30 September 2017.

30 September 2017	Terms and Conditions for each Grant							
Key Management Personnel	Number Vested	Number Granted	Grant Date	Fair Value per option at Grant Date ($) (Note 20)	Exercise Price per option ($) (Note 20)	Expiry Date	First Exercise Date	Last Exercise Date
P G Crabb	3,000,000	3,000,000	24/02/17	$0.0246	$0.07	23/02/22	24/02/17	23/02/22
F DeMarte	3,000,000	3,000,000	24/02/17	$0.0246	$0.07	23/02/22	24/02/17	23/02/22
M R J Randall	2,000,000	2,000,000	24/02/17	$0.0246	$0.07	23/02/22	24/02/17	23/02/22
A L Lofthouse	3,000,000	3,000,000	15/11/16	$0.0281	$0.06	14/11/19	14/05/17	14/11/19
Total	11,000,000	11,000,000						

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 2018. No key management personnel exercised compensation options during the year ended 30 September 2017.

(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 2018.

30 September 2018	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	-	-	-	-
R W Crabb	-			-
A L Lofthouse	17,881	-	-	6%
Total	17,881	-	-	6%

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

The following table summarises the value of options granted, exercised or lapsed for the year ended 30 September 2017.

30 September 2017	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	73,800	-	-	43%
F DeMarte	73,800	-	-	25%
M R J Randall	49,200	-	-	48%
R W Crabb	-			-
A L Lofthouse	84,300	-	-	23%
Total	281,100	-	-	30%

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (continued)

(h) Clawback Policy

The Company's Employee Share Option Plan includes provisions that if the Board becomes aware of a material misstatement in the Company's financial statements or some other event has occurred which, as a result, means that the vesting conditions in respect of certain vested options were not, or should not have been determined to have been, satisfied, then the holder will cease to be entitled to those vested options (**Affected Options**) and the Board may take various actions, including: cancelling the relevant Affected Options for no consideration; requiring that the holder pay to the Company the after tax value of the Affected Options which have been converted into Shares or adjusting fixed remuneration, incentives or participation in the option incentive plan of a relevant holder in the current year or any future year to take account of the after tax value of the Affected Options.

(i) 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	3,000,000	24/02/17	$0.07	$0.0246	2022
	750,000	26/02/16	$0.08	$0.237	2021
F DeMarte	3,000,000	24/02/17	$0.07	$0.0246	2022
	1,500,000	26/02/16	$0.08	$0.237	2021
	5,000,000	28/02/14	$0.06	$0.0153	2019
Non-Executive Directors					
M R J Randall	2,000,000	24/02/17	$0.07	$0.0246	2022
	750,000	26/02/16	$0.08	$0.237	2021
	1,500,000	28/02/14	$0.06	$0.0153	2019
Chief Executive Officer					
A L Lofthouse	3,000,000	15/11/16	$0.06	$0.0281	2019
	5,000,000	28/02/14	$0.06	$0.0153	2019
	1,500,000	19/12/17	$0.04	$0.0119	2020

(j) Loans to key management personnel

There were no loans made to key management personnel during the year ended 30 September 2018.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (continued)

(k) 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.

(l) 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 2018		
30 September 2018	Balance at beginning of period 1 October 2017	Granted as Remuneration	Options Exercised	Options Expired	Net Change Other	Balance at end of period 30 September 2018	Total	Exercisable	Not Exercisable
F DeMarte	9,500,000	-	-	-	928,274	10,428,274	10,428,274	10,428,274	-
M R J Randall	4,250,000	-	-	-	280,000	4,530,000	4,530,000	4,530,000	-
P G Crabb	3,750,000	-	-	-	10,000,000	13,750,000	13,750,000	13,750,000	-
R W Crabb	-	-	-	-	497,915	497,915	497,915	497,915	-
A L Lofthouse	10,000,000	1,500,000	-	(2,000,000)	820,000	10,320,000	10,320,000	10,320,000	-
Total	27,050,000	1,500,000	-	(2,000,000)	12,526,189	39,526,189	39,526,189	39,526,189	-

							Vested at 30 September 2017		
30 September 2017	Balance at beginning of period 1 October 2016	Granted as Remuneration	Options Exercised	Options Expired	Net Change Other	Balance at end of period 30 September 2017	Total	Exercisable	Not Exercisable
F DeMarte	7,000,000	3,000,000	-	(500,000)	-	9,500,000	9,500,000	9,500,000	-
M R J Randall	2,750,000	2,000,000	-	(500,000)	-	4,250,000	4,250,000	4,250,000	-
P G Crabb	750,000	3,000,000	-	-	-	3,750,000	3,750,000	3,750,000	-
A L Lofthouse	7,000,000	3,000,000	-	-	-	10,000,000	10,000,000	10,000,000	-
Total	17,500,000	11,000,000	-	(1,000,000)	-	27,500,000	27,500,000	27,050,000	-

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:

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

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

Note 2: R W Crabb was appointed an additional director on 20 November 2017.

Committee Memberships

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

Audit	Remuneration	Nomination
M R J Randall (C)	M J Randall (C)	M J Randall (C)
P G Crabb	P G Crabb	F DeMarte
R W Crabb	R W Crabb	P G Crabb
		R W 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

William Richmond commenced proceedings on 1 June 2018 in the Federal Court of Australia against Thundelarra Limited (Thundelarra) and Sandfire Resources NL (Sandfire) (Proceeding~~s~~). Mr Richmond seeks unspecified damages from Thundelarra and Sandfire. The claims primarily relate to allegations about Thundelarra's and Sandfire's conduct prior to May 2012 in relation to mining tenement M52/597.

Thundelarra filed its defence on 19 October 2018. Thundelarra denies liability in respect of the allegations the subject of the Proceedings and denies that Mr Richmond is entitled to any relief. Thundelarra is of the opinion that Mr Richmond's allegations are without merit, and Thundelarra will vigorously defend the Proceeding~~s~~.

Given the status of the Proceeding, which is in its preliminary stages, Thundelarra is presently unable to reliably estimate the quantum of liability, if any, that it may incur in respect of the Proceeding.

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.

DIRECTORS' REPORT

NON-AUDIT SERVICES

The Board of Directors is satisfied that the provision of non-audit services during the period is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

The Board of Directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the period is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and

- the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: *Code of Ethics for Professional Accountants* set by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

No fees were paid or payable to Stanton's International Securities Pty Ltd for non-audit services provided during the year ended 30 September 2018:

AUDITOR INDEPENDENCE

The auditor's independence declaration for the year ended 30 September 2018 has been received and can be found on page 88.

Signed in accordance with a resolution of the directors.

FRANK DEMARTE
Executive Director

Perth, Western Australia
19 December 2018

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Notes	Consolidated 2018 $	Consolidated 2017 $
REVENUE FROM CONTINUING OPERATIONS			
Revenue	4(a)	94,099	65,111
Other income	4(b)	235,368	2,077,463
		329,467	2,142,574
EXPENDITURE			
Amortisation and depreciation		(60,529)	(33,692)
Employee benefits expense	4(c)	(30,000)	(319,035)
Exploration expenditure written off or impaired	4(d)	(4,177,164)	(3,041,985)
Administration expenses	4(e)	(1,197,284)	(1,315,941)
Profit/(Loss) from continuing operations before income tax expense		**(5,135,510)**	**(2,568,079)**
Income tax (expense)/benefit	5	-	-
Net profit/(loss) from continuing operations for the year		**(5,135,510)**	**(2,568,079)**
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		**(5,135,510)**	**(2,568,079)**
Net Profit/(Loss) attributable to members of the parent entity		**(5,135,510)**	**(2,568,079)**
Comprehensive income/(loss) attributable to members of the parent entity			
Profit/(loss) per share attributable to ordinary equity holders:			
Basic earnings/(loss) (cents per share)	7	(0.81)	(0.60)
Diluted earnings/(loss) (cents per share)	7	(0.81)	(0.60)

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 2018

	Notes	Consolidated 2018 $	Consolidated 2017 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6(b)	1,472,031	4,630,313
Trade and other receivables	8	19,107	19,528
Other financial assets	9	308,831	182,515
TOTAL CURRENT ASSETS		1,799,969	4,832,356
NON-CURRENT ASSETS			
Other receivables	8	246,613	248,606
Property, plant and equipment	10	144,547	112,077
Exploration expenditure	12(a)	-	-
Deferred tax asset	13	-	-
TOTAL NON-CURRENT ASSETS		391,160	360,683
TOTAL ASSETS		2,191,129	5,193,039
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	76,777	672,686
Provisions	15	200,028	199,799
TOTAL CURRENT LIABILITIES		276,805	872,485
NON-CURRENT LIABILITIES			
Provisions	15	31,749	-
Deferred tax liability	16	-	-
TOTAL NON-CURRENT LIABILITIES		31,749	-
TOTAL LIABILITIES		308,554	872,485
NET ASSETS		1,882,575	4,320,554
EQUITY			
Contributed equity	17(a)	62,360,252	59,692,721
Reserves	17(d)	8,224,373	8,194,373
Accumulated losses	18	(68,702,050)	(63,566,540)
TOTAL EQUITY		1,882,575	4,320,554

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 2018

CONSOLIDATED	Notes	Contributed Equity $	Reserves $	Accumulated Losses $	Total $
Balance at 1 October 2016		57,461,564	7,840,338	(60,998,461)	4,303,441
Total comprehensive income for the year					
Profit/(Loss) for the year		-	-	(2,568,079)	(2,568,079)
Total comprehensive income/(loss) for the year		-	-	(2,568,079)	(2,568,079)
Transactions with owners recorded directly in equity:					
Cost of share based payments	17(d)	-	354,035	-	354,035
Shares issued during the year	17(b)	2,699,695	-	-	2,699,695
Transaction costs	17(b)	(468,538)	-	-	(468,538)
		2,231,157	354,035	-	2,585,192
Balance at 30 September 2017		59,692,721	8,194,373	(63,566,540)	4,320,554

CONSOLIDATED	Notes	Contributed Equity $	Reserves $	Accumulated Losses $	Total $
Balance at 1 October 2017		59,692,721	8,194,373	(63,566,540)	4,320,554
Total comprehensive income for the year					
Profit/(Loss) for the year		-	-	(5,135,510)	(5,135,510)
Total comprehensive income/(loss) for the year		-	-	(5,135,510)	(5,135,510)
Transactions with owners recorded directly in equity:					
Cost of share based payments	17(d)	-	30,000	-	30,000
Shares issued during the year	17(b)	2,672,850	-	-	2,672,850
Transaction costs	17(b)	(5,319)	-	-	(5,319)
		2,667,531	30,000	-	2,697,531
Balance at 30 September 2018		62,360,252	8,224,373	(68,702,050)	1,882,575

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 2018

	Notes	Consolidated 2018 $	2017 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from government		-	412,506
Other revenue received		-	1,500,000
Payment to suppliers		(1,351,463)	(636,147)
Interest received		95,122	72,741
Net cash (outflow)/inflows from operating activities	6(a)	(1,256,341)	1,349,100
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for tenements		-	(50,000)
Payments for purchase of plant, equipment and vehicles		(92,999)	(11,245)
Proceeds from sale of investments		-	364,957
Proceeds from sale of plant, equipment and vehicles		-	9,322
Proceeds from sale of tenements		110,000	-
Redemption of security deposits		1,993	76,100
Exploration and evaluation expenditure		(4,179,206)	(3,093,343)
Net cash outflow from investing activities		(4,160,212)	(2,704,209)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from issue of shares and options		2,322,438	2,542,195
Share issue costs		(64,167)	(374,690)
Net cash inflow from financing activities		2,258,271	2,167,505
Net (decrease)/increase in cash and cash equivalents held		(3,158,282)	812,396
Cash and cash equivalents at the beginning of the financial year		4,630,313	3,817,917
Cash and cash equivalents at the end of the financial year	6(b)	1,472,031	4,630,313

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 2018

1. CORPORATE INFORMATION

The consolidated financial statements of Thundelarra Limited (Company) comprise the Company and its subsidiaries (together referred to as the "Group") for the year ended 30 September 2018 was authorised for issue in accordance with a resolution of the directors on 19 December 2018. 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 $5,135,510 for the year ended 30 September 2018. Total exploration expenditure recognised in the year is $4,177,164. The group had cash assets of $1,472,031 at 30 September 2018 and investments held for trading and available for sale valued at $308,831 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 2018 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

None of the new accounting standards and amendments to the accounting standards are mandatory for the first time in their annual reporting period commencing 1 October 2017 affected any amounts recognised in the current reporting period or any prior reporting period, although it caused minor changes to the Group's disclosures.

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fair value hierarchy (continued)

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.

(e) New accounting standards for application in future periods

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.

  When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

  The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) New accounting standards for application in future periods

- *AASB 15: Revenue from Contracts with Customers* (applicable to annual reporting periods commencing on or after 1 January 2018) (continued).

  To achieve this objective, AASB 15 provides the following five-step process:

  - identify the contract(s) with a customer;
  - identify the performance obligations in the contract(s);
  - determine the transaction price;
  - allocate the transaction price to the performance obligations in the contract(s); and
  - recognise revenue when (or as) the performance obligations are satisfied.

  This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

  Although the directors anticipate that the adoption of AASB 15 may have an impact on the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

- *AASB 16: Leases* (applicable to annual reporting periods commencing on or after 1 January 2019).

  When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases* and related interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as either operating leases or finance leases. Lessor accounting remains similar to current practice.

  The main changes introduced by the new Standard are as follows:

  - recognition of the right-to-use asset and liability for all leases (excluding short term leases with less than 12 months of tenure and leases relating to low value assets);
  - depreciating the right-to-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
  - inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
  - application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
  - additional disclosure requirements.

  The transitional provisions of AASB 16 allow a lease to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity at the date of initial application.

  Although the directors anticipate that the adoption of AASB 16 may have an impact on the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) New accounting standards for application in future periods

- *AASB 2014-3: Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an investor and its Associate or Joint Venture (applicable to annual reporting periods commencing on or after 1 January 2018)*

  This Standard amends AASB 10: *Consolidated Financial Statements* with regards to a parent losing control over a subsidiary that is not a "business" as defined in AASB 3: *Business Combinations* to an associate or joint venture and requires that:

  - a gain or loss (including any amounts in other comprehensive income (OCI)) be recognised only to the extent of the unrelated investor's interest in that associate or joint venture;
  - the remaining gain or loss be eliminated against the carrying amount of the investment in that associate or joint venture; and
  - any gain or loss from remeasuring the remaining investment in the former subsidiary at fair value also be recognised only to the extent of the unrelated investor's interest in the associate or joint venture. The remaining gain or loss should be eliminated against the carrying amount of the remaining investment.

  Although the directors anticipate that the adoption of AASB 2014-10 may have an impact on the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

- *AASB 2016-5 Amendments to Australian Accounting Standards - Classification and Measurement of Share-based Payment Transactions (applicable to annual reporting periods commencing on or after 1 January 2018).*

  The AASB issued amendments to AASB 2 *Share-based Payment* that address three main areas:

  - the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction;
  - the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and
  - accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled.

  On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. Early application of this amendment is permitted.

  Although the directors anticipate that the adoption of this amendment may have an impact on the Group's financial statements, the directors anticipate that the adoption of this amendment will not have a material impact on the Group's financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

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 23.

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) 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 20.

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.

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 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Deferred taxation

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

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

(i) Revenue recognition

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

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

(j) Cash and cash equivalents

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

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

(k) Trade and other receivables

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

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

(l) 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:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Income tax (continued)

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit not taxable profit or loss, or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

(m) 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.

(n) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Exploration 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 2018 and 2017 the Group chose not to carry forward the value of exploration expenditure and fully provided for the carrying value of all exploration properties.

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.

(p) 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.

(q) 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.

(r) 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 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) 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.

(t) 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.

(u) Borrowing costs

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

(v) 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.

(w) 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 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) Impairment of assets (continued)

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

(x) 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 24.

(y) Investments

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

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

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

Other long-term investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on acquisition, over the period to maturity.

For investments carried at amortised cost, gains and losses are recognised in income when the investments are derecognised or impaired, as well as thorough the amortisation process. For investments that are actively traded in organised financial markets, fair value is determined by reference to Stock Exchange quoted market bid prices at the close of business on the balance sheet date.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(z) Share-based payment transactions

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 20.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Thundelarra Exploration Limited (market conditions) if applicable. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

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

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

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition. If the terms of an equity-settled aware are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

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

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

(aa) Comparatives

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

(ab) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(ad) Goodwill (continued)

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 2018

		Consolidated 2018 $	Consolidated 2017 $
4.	**REVENUE AND EXPENSES**		
(a)	**Revenue**		
	Interest income from non-related parties	94,099	65,111
(b)	**Other Revenue**		
	Net gain on disposal of fixed assets (4(f))	-	-
	Net gain on disposal of investments (4(g))	-	164,957
	Net gain on disposal of tenements (4(h))	109,474	-
	Research and development – tax refund	-	412,506
	Increase in market value of investments	125,894	-
	Other income – Red Bore pre-emptive right	-	1,500,000
		235,368	2,077,463
	Total Revenues	329,467	2,142,574
(c)	**Employee Benefits Expenses**		
	Share based payments expense	(30,000)	(319,035)

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.

		2018 $	2017 $
(d)	**Exploration Expenditure Written Off**		
	Exploration expenditure written-off or impaired	(4,177,164)	(3,041,985)
(e)	**Other Expenses**		
	Administrative costs	(5,179)	(6,140)
	Office and miscellaneous	(228,726)	(240,162)
	Professional fees	(41,656)	(106,081)
	Regulatory fees	(64,392)	(77,554)
	Shareholder and investor relations	(140,853)	(160,181)
	Employee expenses	(704,000)	(683,768)
	Decrease in market value of investments	-	(25,171)
	Other operating expenses	(12,478)	(16,884)
		(1,197,284)	(1,315,941)
(f)	**Net Gain on Disposal of Fixed Assets**		
	Proceeds from disposal of fixed assets	-	6,883
	Carrying amounts of fixed assets sold	-	(6883)
	Net gain on disposal	-	-
(g)	**Net Gain on Disposal of Investments**		
	Proceeds from disposal of investments	-	364,957
	Carrying amounts of investments sold	-	(200,000)
		-	164,957
(h)	**Net Gain on Disposal of Tenements**		
	Proceeds from disposal of tenements	110,000	-
	Carrying amounts of tenements sold	(526)	-
		109,474	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Consolidated 2018 $	Consolidated 2017 $
5. INCOME TAX		
(a) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit/(Loss) from ordinary activities before income tax expense	(5,135,510)	(2,568,079)
Prima facie tax benefit on loss from ordinary activities at 27.5% (2017 – 27.50%)	(1,412,265)	(706,221)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Entertainment and other	366	1,645
Fines	110	-
Share based payments	8,250	83,667
	(1,403,539)	(620,909)
Movement in current year temporary differences	(97,916)	(90,681)
Tax effect of current year tax losses & non-recognition of previously recognised deferred tax assets	1,501,455	711,590
Tax effect of prior year research and development refund	-	-
Income tax expense/(benefit)	-	-
(b) Unrecognised temporary differences Deferred Tax Assets (27.5%) (2017 – 27.5%)		
Impairment and depreciation of assets in joint venture	1,473	1,688
Capitalised tenement acquisition costs	48,181	52,058
Investments	267,627	302,248
Capital raising, formation and legal costs	113,810	180,170
Provisions for expenses	70,135	61,797
Carry forward revenue losses	14,025,873	12,519,493
Carry forward capital losses	-	4,926
	14,527,099	13,122,380
Deferred Tax Liabilities (27.5%) (2017 – 27.5%)		
Unearned revenue	2,075	2,357
	2,075	2,357
Net Deferred Tax Asset (Liability)	14,525,024	13,120,023

The potential future tax benefit arising from accumulated tax losses in the Group have not been recognized in 2018 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 2018

		Consolidated 2018 $	Consolidated 2017 $
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	(5,135,510)	(2,568,079)
	Non cash flows in operating loss		
	Exploration costs written-off or provided	4,177,164	3,041,985
	Amortisation and depreciation	60,529	33,692
	Share based payments	30,000	319,035
	Net (Increase)/ decrease in fair value of investments	(126,316)	25,171
	(Profit)/Loss on sale of investments	-	(164,957)
	(Profit)/Loss on sale of tenements	(109,474)	-
	Change in assets and liabilities		
	(Decrease)/increase in trade creditors and accruals	(185,133)	558,879
	(Increase)/decrease in receivables	421	82,099
	(Decrease)/increase in provisions	31,978	21,275
	Net cash outflow from operating activities	(1,256,341)	1,349,100
(b)	**Cash and cash equivalents represents:**		
	Cash in bank and on hand	169,142	358,470
	Deposits at call	1,302,889	4,271,843
		1,472,031	4,630,313
(c)	**Non Cash Investing Activities**		
	Acquisition of tenements and rights by issue of shares	-	157,500
7.	**EARNINGS PER SHARE**		
(a)	Basic earnings/(loss) per share (cents per share)	(0.81)	(0.60)
(b)	Diluted earnings/(loss) per share (cents per share)	(0.81)	(0.60)

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.

		2018	2017
(c)	Net profit/(loss) attributable to ordinary shareholders	(5,135,510)	(2,568,079)
(d)	Weighted average number of ordinary shares outstanding during the year used in the calculation:		
	- basic earnings per share	634,509,898	426,082,140
	- diluted earnings per share	634,509,898	426,082,140

8. TRADE AND OTHER RECEIVABLES (CURRENT)

	2018	2017
Other receivables	11,560	10,958
Accrued income	7,547	8,570
	19,107	19,528

The were no amounts receivable from directors and director related entities in 2018 and 2017.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Consolidated 2018 $	Consolidated 2017 $
8. TRADE AND OTHER RECEIVABLES (NON CURRENT)		
Security deposits/bonds	246,613	248,606

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.

	2018 $	2017 $
9. OTHER FINANCIAL ASSETS (CURRENT)		
Listed shares held for trading at fair value	308,831	182,515

At as at the 11 December 2018, the total market value of the quoted investments based on closing prices at that date was $127,868.

10. PROPERTY, PLANT AND EQUIPMENT

	2018 $	2017 $
Plant and equipment, at cost	257,130	298,738
Less: accumulated depreciation	(174,522)	(262,399)
Less: impairment loss	-	-
	82,608	36,339
Motor vehicles, at cost	196,625	196,625
Less: accumulated depreciation	(186,566)	(182,330)
Less: impairment loss	-	-
	10,059	14,295
Office equipment, at cost	136,515	288,959
Less: accumulated depreciation	(102,907)	(251,166)
Less: impairment loss		-
	33,608	37,793
Plant and equipment (NT), at cost	34,560	73,708
Less: accumulated depreciation	(16,288)	(50,058)
Less: impairment loss	-	-
	18,272	23,650
Total property, plant and equipment	144,547	112,077

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:

Plant and equipment	2018 $	2017 $
Carrying amount at 1 October 2017	36,339	45,730
Additions	81,523	1,333
Depreciation	(35,254)	(10,724)
Carrying amount at 30 September 2018	82,608	36,339

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Consolidated 2018 $	Consolidated 2017 $
10. PROPERTY, PLANT AND EQUIPMENT (continued)		
Reconciliations (continued)		
Motor vehicles		
Carrying amount at 1 October 2017	14,295	20,331
Disposals	-	
Depreciation	(4,236)	(6,036)
Carrying amount at 30 September 2018	10,059	14,295
Office equipment		
Carrying amount at 1 October 2017	37,793	51,468
Additions	11,476	473
Depreciation	(15,661)	(14,148)
Carrying amount at 30 September 2018	33,608	37,793
Plant and equipment (NT)		
Carrying amount at 1 October 2017	23,650	26,434
Additions	-	-
Depreciation	(5,378)	(2,784)
Carrying amount at 30 September 2018	18,272	23,650
Total carrying amount at 30 September 2018	144,547	112,077

11. PARENT ENTITY DISCLOSURES

	2018 $	2017 $
STATEMENT OF FINANCIAL POSITION		
ASSETS		
CURRENT ASSETS	1,733,826	4,745,439
NON-CURRENT ASSETS	201,729	169,259
TOTAL ASSETS	1,935,555	4,914,698
LIABILITIES		
CURRENT LIABILITIES	271,054	856,383
NON-CURRENT LIABILITIES	31,749	-
TOTAL LIABILITIES	302,803	856,383
NET ASSETS	1,632,752	4,058,315
EQUITY		
Contributed equity	62,360,252	59,692,721
Reserves	8,224,373	8,194,373
Accumulated losses	(68,951,873)	(63,828,779)
TOTAL EQUITY	1,632,752	4,058,315
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
Net profit/ (loss) from continuing operations for the year	(5,123,094)	(2,743,840)
Total Comprehensive income/(loss) for the year	(5,123,094)	(2,743,840)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Consolidated 2018 $	Consolidated 2017 $
11. PARENT ENTITY DISCLOSURES (continued)		
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		
Red Dragon Mines Pty Ltd	1,380,392	1,380,392
Provision for write down of investment	(1,380,392)	(1,380,392)
	-	-

12. EXPLORATION EXPENDITURE (NON-CURRENT)

	2018 $	2017 $
Exploration and evaluation		
At 1 October 2017	-	-
Expenditure incurred during the year	4,177,164	3,041,985
Expenditure provided or written off during the year (note 4(d))	(4,177,164)	(3,041,985)
At 30 September 2018	-	-

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 24).

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)

	2018 $	2017 $
Deferred tax asset (Note 5)	-	-

14. TRADE AND OTHER PAYABLES (CURRENT)

	2018 $	2017 $
Trade payables and accruals	76,777	672,686

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Consolidated 2018 $	Consolidated 2017 $
15. PROVISONS (CURRENT)		
Employee entitlements	200,028	199,799
Number of employees at year end	9	10
PROVISIONS (NON-CURRENT)		
Employee entitlements	31,749	-

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 20.

	Consolidated 2018 $	Consolidated 2017 $
16. DEFERRED TAX LIABILITY (NON-CURRENT)		
Deferred tax liability (Note 5)	-	-

17. CONTRIBUTED EQUITY AND RESERVES

	Number of Shares 2018	Number of Shares 2017	Consolidated 2018 $	Consolidated 2017 $
(a) Issued and paid up capital				
Ordinary shares	635,095,883	528,183,479	62,360,252	59,692,721

(b) Movement in ordinary shares on issue

		Number of Shares	Issue Price $	Total $
1/10/16	**Opening balance**	423,495,665		57,461,564
2/03/17	Acquisition of tenement	3,000,000	0.053	157,500
28/09/17	Renounceable rights issue	101,687,814	0.025	2,542,195
	Share issue costs	-		(468,538)
	Balance at 30 September 2017	528,183,479		59,692,721
3/10/2017	Renounceable rights issue – shortfall	68,910,786	0.025	1,722,770
3/10/2017	Placement	38,000,000	0.025	950,000
9/11/2017	Exercise of quoted options	1,618	0.05	80
	Share issue costs	-		(5,319)
	Balance at 30 September 2018	635,095,883		62,360,252

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 2018

17. 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 2018

30 September 2018	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 6 cents each on or before 28 February 2019	11,500,000	-	-	-	11,500,000
Unquoted options exercisable at 8 cents each on or before 4 September 2018	3,150,000	-	-	(3,150,000)	-
Unquoted options exercisable at 8 cents each on or before 26 February 2021	3,000,000	-	-	-	3,000,000
Unquoted options exercisable at 10 cents each on or before 30 June 2018	4,000,000	-	-	(4,000,000)	-
Unquoted options exercisable at 6 cents each on or before 14 November 2019	4,350,000	-	-	-	4,350,000
Unquoted options exercisable at 7 cents each on or before 23 February 2022	8,000,000	-	-	-	8,000,000
Unquoted options exercisable at 4 cents each on or before 18 December 2020	-	2,500,000	-	-	2,500,000
Quoted options exercisable at 5 cents each on or before 30 September 2019	50,843,940	58,455,399	(1,618)	-	109,297,721
Total	84,843,940	60,955,399	(1,618)	(7,150,000)	138,647,721

The following table summarises the movement in options on issue for the year ended 30 September 2017

30 September 2017	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 23 cents each on or before 28 February 2017	2,000,000	-	-	(2,000,000)	-
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
Unquoted options exercisable at 8 cents each on or before 26 November 2021	3,000,000	-	-	-	3,000,000
Unquoted options exercisable at 10 cents each on or before 30 June 2018	4,000,000	-	-	-	4,000,000
Unquoted options exercisable at 6 cents each on or before 14 November 2019	-	4,350,000	-	-	4,350,000
Unquoted options exercisable at 7 cents each on or before 23 February 2022	-	8,000,000	-	-	8,000,000
Quoted options exercisable at 5 cents each on or before 30 September 2019	-	50,843,940	-	-	50,843,940
Total	24,150,000	63,193,940	-	(2,500,000)	84,843,940

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Consolidated	
17. CONTRIBUTED EQUITY AND RESERVES (continued)	**2018 $**	**2017 $**
(d) Reserves		
Share based payments reserve		
Balance at beginning of year	8,194,373	7,840,338
Share based payments	30,000	354,035
Balance at end of year	8,224,373	8,194,373

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 2018.

Share based payments reserve

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

	Consolidated	
	2018 $	**2017 $**
18. ACCUMULATED LOSSES		
Balance at the beginning of the year	(63,566,540)	(60,998,461)
Net profit/(loss) attributable to members of Thundelarra Limited	(5,135,510)	(2,568,079)
Balance at the end of the financial year	(68,702,050)	(63,566,540)

19. COMMITMENTS AND CONTINGENCIES

(i) Exploration commitments		
Within one year	226,149	371,857
Later than one year but not later than five years	223,994	517,816
Later than five years	-	191,545
	450,143	1,081,218

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		
Within one year	132,677	129,205
Later than one year but not later than five years	90,030	221,207
Later than five years	-	-
	222,707	350,412

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

19. COMMITMENTS AND CONTINGENCIES (continued)

(ii) Operating lease commitments (continued)

The Group has entered into a commercial property lease on its corporate office premises. The non-cancellable lease expires 1 June 2020. 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 2018 the Group has outstanding $44,683 (2017: $44,683) as a current guarantee provided by the bank for corporate office lease.

(iv) Native Title

At the date of this report, there are no claims lodged in relation to tenements held by the Group.

(v) Richmond Proceeding

In relation to the William Richmond proceedings commenced on 1 June 2018 in the Federal Court of Australia against Thundelarra Limited (Thundelarra) and Sandfire Resources NL (Sandfire) (Proceeding~~s~~). Mr Richmond seeks unspecified damages from Thundelarra and Sandfire. The claims primarily relate to allegations about Thundelarra's and Sandfire's conduct prior to May 2012 in relation to mining tenement M52/597. To date, Richmond has not particularised his case on damages with any clarity and given the status of the proceeding, which is in its preliminary stages, Thundelarra is presently unable to reliably estimate the quantum of liability, if any, that it may incur in respect of the Proceeding.

Thundelarra is of the opinion that Mr Richmond's allegations are without merit, and Thundelarra will vigorously defend the Proceeding~~s~~.

20. 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 26 February 2016. 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.

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 2018	WAEP 2018 $	Number 2017	WAEP 2017 $
Outstanding at the beginning of the year	34,000,000	0.07	24,150,000	0.09
Granted during the year	2,500,000	0.04	12,350,000	0.07
Lapsed during the year	(7,150,000)	(0.09)	(2,500,000)	(0.20)
Exercised during the year	-	-	-	-
Outstanding at the end of the year	29,350,000	0.07	34,000,000	0.07
Exercisable at the end of the year	29,350,000	0.07	34,000,000	0.07

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

20. SHARE BASED PAYMENTS (continued)

The outstanding balance as at 30 September 2018 is represented by:

Date unquoted options issued	Expiry date	Exercise price of options	Number of options
28 February 2014	28 February 2019	$0.06	11,500,000
26 February 2016	26 February 2021	$0.08	3,000,000
15 November 2016	14 November 2019	$0.06	4,350,000
24 February 2017	23 February 2022	$0.07	8,000,000
19 December 2017	18 December 2020	$0.04	2,500,000

Date quoted options issued	Expiry date	Exercise price of options	Number of options
28 September 2017	30 September 2019	$0.05	50,843,940
30 October 2017	30 September 2019	$0.05	58,453,781

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

(a) Weighted average remaining contractual life

The weighted average remaining contractual life for the share options outstanding as at 30 September 2018 Is 1.69 years (2017 – 2.26 years).

(b) Range of exercise price

The range of exercise prices for options outstanding at the end of the year was $0.04 to $0.08 (2017 - $0.06 to $0.10).

(c) Weighted average fair value

The weighted average fair value of options granted during the year was $0.012 (2017 - $0.03)

(d) 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 2018.

Number of Options	2,500,000
Option exercise price	$0.04
Expiry date	18 December 2020
Expected life of the option (years)	3
Vesting period (months)	6 months
Dividend yield (%)	Nil
Expected volatility (%)	95.96%
Risk-free interest rate (%)	2.09%
Discount for unquoted security	-
Closing share price at grant date (cents)	$0.03
Vesting date	19/06/2018

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

20. SHARE BASED PAYMENTS (continued)

The following table lists the inputs to the model used for the year ended 30 September 2017

Number of Options	4,350,000	8,000,000
Option exercise price	$0.06	$0.07
Expiry date	14 November 2019	23 February 2022
Expected life of the option (years)	3	5
Vesting period (months)	6 months	-
Dividend yield (%)	Nil	Nil
Expected volatility (%)	78.99%	76.5%
Risk-free interest rate (%)	1.84%	2.27%
Discount for unquoted security	-	30%
Closing share price at grant date (cents)	$0.06	$0.06
Vesting date	14/05/2017	-

21. REMUNERATION OF AUDITORS

The auditor of Thundelarra Limited is Stanton's International for:

	Consolidated 2018 $	Consolidated 2017 $
• An audit or review of the financial report of the consolidated entity	28,871	23,713
• Valuation of Options issued to employees	-	475
	28,871	24,188

22. RELATED PARTY DISCLOSURES

(a) Directors

There were no fees received in the normal course of business in 2018 and 2017 for office rental, administrative and employees services from companies of which P G Crabb, F DeMarte, M R J Randall and R W Crabb are directors and shareholders.

There were no fees paid in the normal course of business in 2018 and 2017 for employees services from companies of which P G Crabb, F DeMarte, M R J Randall and R W Crabb 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 23.

Transactions between the Parent and its wholly owned controlled entities during the year ended 30 September 2018 consists of loans advanced by the Parent totalling $3,719,573 (2017: $2,988,408). The loans outstanding at 30 September 2018 total $24,121,224 (2017: $20,401,651). The loans provided are unsecured, interest free and have no fixed term of repayment. There were no repayments made during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

23. CONTROLLED ENTITIES

		Percentage Interest Held		Carrying amount of Parent Entity's Investment	
Name	**Country of Incorporation**	**2018 %**	**2017 %**	**2018 $**	**2017 $**
Element 92 Pty Ltd	Australia	100	100	-	-
Red Dragon Mines Pty Ltd	Australia	100	100	-	-
Zeus Mining Pty Ltd	Australia	100	100	-	-

24. INTEREST IN JOINT VENTURES

The Company has interests in several joint ventures as follows:

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 2018 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 2018	Percentage Interest 2017	Expenditure Capitalised 2018 $	Expenditure Capitalised 2017 $
Breakaway JV	Base metals	20%	20%	-	-
Red Bore JV	Base metals	90%	90%	-	-
Curara Well JV	Base metals	90%	90%	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

25. 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	**2018 $**	**2017 $**	**2018 $**	**2017 $**	**2018 $**	**2017 $**	**2018 $**	**2017 $**
Financial Assets								
Cash and cash equivalents	169,142	358,470	1,302,889	4,271,843		-	1,472,031	4,630,313
Trade and other receivables	-	-	246,613	248,606	19,107	19,528	265,720	268,134
Other financial assets	-	-			308,831	182,515	308,831	182,515
Total Financial Assets	169,142	358,470	1,549,502	4,520,449	327,938	202,043	2,046,582	5,080,962
Financial Liabilities								
Trade and other payables	-	-	-	-	(76,777)	(672,686)	(76,777)	(672,686)
Total Financial Liabilities	-	-	-	-	(76,777)	(672,686)	(76,777)	(672,686)
Net Financial Assets/(Liabilities)	169,142	358,470	1,549,502	4,520,449	251,161	(470,643)	1,969,805	4,408,276
Weighted Average Interest Rate	0.75%	0.75%	2.07%	2.06%				

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

25. FINANCIAL INSTRUMENTS (continued)

Reconciliation of net financial assets/ (liabilities) to net assets	**Consolidated 2018 $**	**Consolidated 2017 $**
Net Financial Assets/(Liabilities) as above	1,969,805	4,408,276
Property, plant and equipment	144,547	112,077
Exploration & evaluation expenditure	-	-
Intangibles	-	-
Provisions	(231,777)	(199,799)
Net Assets per Statement of Financial Position	1,882,575	4,320,554

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 2018, 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 2018

26. 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 2018, a 10% change in fair values will have the following impact on loss before tax and equity before tax.

	Consolidated	
	2017 $	2016 $
Loss before tax:		
Available for sale financial assets	(30,883)	(18,252)
Held for trading financial assets		
Equity:		
Available for sale financial assets		
Held for trading financial assets	(30,883)	(18,252)

(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 2018	Carrying Amount $	Interest Rate Risk -1%		Interest Rate Risk + 1%	
		Net loss $	Equity $	Net loss $	Equity $
Financial Assets					
Cash and cash equivalents	1,472,031	(14,720)	(14,720)	14,720	14,720
Other receivables interest bearing	246,613	(2,466)	(2,466)	2,466	2,466
Totals	1,718,644	(17,186)	(17,186)	17,186	17,186

Consolidated 30 September 2017	Carrying Amount $	Interest Rate Risk -1%		Interest Rate Risk + 1%	
		Net loss $	Equity $	Net loss $	Equity $
Financial Assets					
Cash and cash equivalents	4,630,313	(46,303)	(46,303)	46,303	46,303
Other receivables interest bearing	248,606	(2,486)	(2,486)	2,486	2,486
Totals	4,878,919	(48,789)	(48,789)	48,789	48,789

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

27. 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 2018 financial report:

Acquisition of Abbotts Gold Tenements

In October 2018, the Company executed a binding Sale Agreement to acquire the Abbotts Gold Project from Doray Minerals Limited. The Abbotts Gold Project comprises of 13 granted tenements that cover approximately 450 square kilometres surrounding and abutting the Company's Garden Gully Project. The Company has agreed to issue Doray Minerals Limited with 11 million ordinary shares in the capital of the Company as consideration for the Abbotts Gold.

28. 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 2018 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 2018.

On behalf of the Board

FRANK DEMARTE
Executive Director

Perth, Western Australia

19 December 2018

PO Box 1908
West Perth WA 6872
Australia

Level 2, 1 Walker Avenue
West Perth WA 6005
Australia

Tel: +61 8 9481 3188
Fax: +61 8 9321 1204

ABN: 84 144 581 519
www.stantons.com.au

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, the Company and its subsidiaries, ("the Group"), which comprises the consolidated statement of financial position as at 30 September 2018, 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.

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 2018 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.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How the matter was addressed in the audit
Legal proceedings against the Company	
As disclosed in the Contingent liabilities note of the Annual Report, during the period the former JV partner William Richmond commenced legal proceedings against Thundelarra Limited with regard to the Red Bore Project. We identified this as key audit matter due to the need to assess the potential effect this may have on the financial statements and the impact on the Red Bore Project.	Inter alia, our audit procedures included the following: i. Reviewed the most recent legal advice provided by the Company's solicitor; ii. Reviewed the minutes of the Meeting of Board of Directors; iii. Obtained the solicitor's representation letter; and iv. Ensured that proper disclosure has been included in the Annual Report.
Going Concern	
As referred to in Note 2(a) to the financial statements, the financial statements have been prepared on a going concern basis. The Group comprising the Company and its subsidiaries, incurred a loss of $5,135,510 for the year ended 30 September 2018. Total exploration expenditure recognised in the year is $4,177,164. The Group had cash assets of $1,472,031 at 30 September 2018 and investment held for trading valued $308,831 at the reporting date. The directors believe the going concern basis of preparation is appropriate. Given the above noted information, we consider this to be a key audit matter, as we need to assess the entity's ability to continue as a going concern.	Inter alia, our audit procedures included the following: i. Reviewed the cash flows forecast for the period covering the 12 months after the date of the audit report. ii. Verified the cash balance as at 30 September 2018 through bank confirmations; iii. Verified the fair value of the listed shares held for trading as at 30 September 2018; iv. Reviewed the administration commitments for the next 12 months; v. Reviewed the exploration commitments for the next 12 months; and vi. Reviewed the financial report for disclosure of going concern.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 September 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance opinion thereon.
In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors 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 preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report**.**

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. 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 Company'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 Company's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of 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.

We conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in Internal control that we identify during our audit.

Report on the Remuneration Report

We have audited the remuneration report included in pages 41 to 48 of the directors' report for the year ended 30 September 2018. 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 2018 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 & Consulting Pty Ltd

Martin Michalik
Director

West Perth, Western Australia
19 December 2018

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

PO Box 1908
West Perth WA 6872
Australia

Level 2, 1 Walker Avenue
West Perth WA 6005
Australia

Tel: +61 8 9481 3188
Fax: +61 8 9321 1204

ABN: 84 144 581 519
www.stantons.com.au

19 December 2018

Board of Directors
Thundelarra Limited
Level 2
47 Stirling Highway
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 2018, 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)

Martin Michalik
Director

ASX ADDITIONAL INFORMATION

The following information dated 12 December 2018 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	404	94,232
1,001 – 5,000	499	1,472,858
5,001 – 10,000	409	3,253,654
10,001 – 100,000	1,212	50,065,951
100,001 and over	730	580,209,188
Totals	3,254	635,095,883
Holding less than a marketable parcel	1,983	18,873,881

2. TWENTY LARGEST HOLDERS OF QUOTED SECURITIES

(a) Ordinary shares

		Shares Held	
	Holder	Number	%
1	Ragged Range Mining Pty Ltd & Associates	78,034,680	12.29
2	Chin Nominees Pty Ltd & Associates	58,691,402	9.24
3	Mr Siat Yoon Chin	26,680,236	4.20
4	Mr Steven Barcham	9,550,577	1.50
5	Nautilus Investments Pty Ltd <The Robinson Family SF A/C>	8,112,129	1.28
6	JP Morgan Nominees Australia Pty Limited	7,276,446	1.15
7	Norvest Projects Pty Ltd	6,000,000	0.94
8	BNP Paribus Noms Pty Ltd <DRP>	5,315,603	0.84
9	Custodial Services Limited <Beneficiaries Holding A/C>	5,203,665	0.82
10	Mr Michael Angelow Levissianos	5,000,000	0.79
11	Madisons Pty Ltd <Brown Retirement Fund A/C>	5,000,000	0.79
12	Troca Enterprises Pty Ltd <Coulson Super Fund A/C>	5,000,000	0.79
13	Robinson Corp Pty Ltd	4,680,000	0.74
14	Rookharp Investments Pty Limited	4,640,000	0.73
15	Topaz Pty Ltd	4,500,000	0.71
16	Mr Beau Thomas Robinson <Beau Robinson Investments A/C>	3,960,000	0.62
17	Grandor Pty Ltd <Mark Scott Family P/F A/C>	3,800,000	0.60
18	Ms Sigrid Tittiana Gibson	3,640,000	0.57
19	Be Copymart Pty Ltd <B&E McConnell S/F A/C>	3,600,100	0.57
20	Ms Woon Hee Chin	3,467,369	0.55
	Total top 20 holders	252,152,207	39.70
	Total remaining holders	382,943,676	60.30

ASX ADDITIONAL INFORMATION

(b) Options expiring 30/09/2019 exercisable at $0.05 each

		Options Held	
	Holder	**Number**	**%**
1	Ragged Range Mining Pty Ltd & Associates	10,000,000	9.15
2	M & K Korkidas Pty Ltd <M&K Korkidas P/L S/Fund A/C>	7,555,000	6.91
3	Chin Nominees Pty Ltd	7,195,034	6.58
4	Mr Ross Jeremy Taylor <Jamanaro A/C>	4,550,000	4.16
5	Madisons Pty Ltd <Brown Retirement Fund A/C>	4,200,000	3.84
6	Mr Siat Yoon Chin	3,740,000	3.42
7	Mr Richard Thomas May	3,366,217	3.08
8	Mr Stephen Michael Bonnar + Mrs Monika Karapetyan <Bonnor Family Superfund A/C>	3,276,066	3.00
9	EMNJ Pty Ltd	2,650,000	2.42
10	Rookharp Investments Pty Limited	2,320,000	2.12
11	Jomot Pty Ltd	2,110,217	1.93
12	Troca Enterprises Pty Ltd <Coulson Super A/C>	2,000,000	1.83
13	Mr Garrick Robert Wells	1,900,000	1.74
14	Mr Ashok Verma	1,899,000	1.74
15	IQ Global Asset Partners Pty Ltd <IQ S/F A/C>	1,338,253	1.22
16	Mr Michael Robert Bellamy	1,130,000	1.03
17	Nautilus Investments Pty Ltd <The Robinson Family SF A/C>	1,074,701	0.98
18	Bettermake Pty Ltd <B & L Basile Super fund a/C>	1,070,000	0.98
19	Ross Dix Harvey	1,000,000	0.91
20	Norvest Projects Pty Ltd	1,000,000	0.91
	Total top 20 holders	64,374,523	58.90
	Total remaining holders	44,873,198	41.10

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	78,034,680	12.29
Chin Nominees Pty Ltd & Associates	58,691,402	9.24

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

ASX ADDITIONAL INFORMATION

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 (%)
WESTERN AUSTRALIA			
E80/3673	Sophie Downs	THX	100
E52/2402	Curara Well	THX/WRR	90/10
M52/597	Red Bore	THX/WRR	90/10
E80/4834	Keller Creek	PAN/THX	80/20 fci
E51/1661	Garden Gully	ZEUS	100
E51/1737	Garden Gully	ZEUS	100
P51/2909	Garden Gully	ZEUS	100
P51/2910	Garden Gully	ZEUS	100
P51/2911	Garden Gully	ZEUS	100
P51/2912	Garden Gully	ZEUS	100
P51/2913	Garden Gully	ZEUS	100
P51/2914	Garden Gully	ZEUS	100
P51/2760	Garden Gully	ZEUS	100
P51/2761	Garden Gully	ZEUS	100
P51/2762	Garden Gully	ZEUS	100
P51/2763	Garden Gully	ZEUS	100
P51/2764	Garden Gully	ZEUS	100
P51/2765	Garden Gully	ZEUS	100
P51/2941	Garden Gully	ZEUS	100
P51/2948	Garden Gully	ZEUS	100
P51/3009	Crown Prince	ZEUS	100

Key to Tenement Type:

E/EL = Exploration License

P/PL = Prospecting License

M = Mining Lease

Key to Parties

THX = Thundelarra Limited

E92 = Element 92 Pty Ltd

WRR = William Robert Richmond

PAN = Panoramic Resources Limited

ZEUS = Zeus Mining Pty Ltd

THUNDELARRA

ABN 74 950 465 654
www.thundelarra.com.au