



**Breakaway
Research**

April 2015

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Company Information

ASX Code	THX
Share Price (14 April 2015)	A\$0.096
Ordinary Shares	319.26m
Options - in the money	13.28m
Options - out of the money	8.75m
Market Cap (Diluted for in money options)	A\$31.92m
Cash (31 Dec 2014)	A\$6.45m
Notional cash on in money option conversion	A\$0.84m
Hayes Creek Tranche 2 payment - July 2015	A\$0.90m
Total Debt	A\$0m
Enterprise Value - Diluted	A\$23.73m

Directors and Management

Non-Exec Chairman	Philip Crabb
CEO	Tony Lofthouse
Executive Director and Company Sec.	Frank DeMarte
Non-Exec Director	Mal Randall

Company Details

Address	Suite 8, 186 Hampden Rd Nedlands, WA 6009
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Web	www.thundelarra.com.au

Top Shareholders (April 9, 2015)

Ragged Range Mining Pty Ltd & Assoc.	15.4%
Chin Nominees Pty Ltd & Assoc.	10.4%
Norilsk Nickel Australia Pty Ltd	2.4%
Grandor Pty Ltd	1.3%
Troca Enterprises Pty Ltd & Assoc.	1.1%
Top 20	40%
Board and Management	18%

1 Year Price Chart



Source: IRESS

Thundelarra Limited (THX)

Positive exploration results continue

Recommendation: Maintain Speculative BUY

Company Update

Key Points

- **Positive results from ongoing exploration at the Doolgunna (Red Bore and Curara Well) and Allamber (Pine Creek) Projects**
- **Drilling at Red Bore reinforces exploration model, with copper pipes intersected to 94m depth (and still open down plunge), potentially providing a vector to an interpreted deeper, large tonnage target**
- **Geophysical surveying supports Curara Well exploration model, with prospective Narracoota Formation potentially below thin thrust sheet granites**
- **Encouraging copper and uranium results from Allamber drilling**
- **Cashed up - \$6.45m in the bank as of December 31, 2014, with Hayes Creek Tranche 2 payment of \$0.9m due by end of July 2015**

Recent drilling and geophysics by Thundelarra has reinforced the prospectivity of its key Doolgunna and Allamber Projects.

Drilling at the Red Bore area within Doolgunna has supported the Company's exploration model, and confirmed the depth extension of the known pipes. Geophysical surveying has delineated new targets, as well as supported the exploration model for the underexplored Curara Well tenement.

Recent drilling at Allamber tested a number of geochemical and geological targets, with encouraging results from some, and downgrading others.

With further drilling expected to commence by early May we expect a constant news flow, and rate Thundelarra as a SPECULATIVE BUY.

Company Overview

Thundelarra Limited (ASX: THX) has a portfolio of advanced exploration properties, with the flagship being the Doolgunna Project, located adjacent to Sandfire's DeGrussa volcanic-hosted massive sulphide ("VHMS") copper-gold operation, which has a current resource of 13.4Mt @ 4.7% Cu and 1.9g/t Au.

Recent work by the Company has been concentrated at Doolgunna, and in particular the Gossan prospect, with high grade copper being intersected in structurally controlled mineralised pipes down to 94m depth (and still open), which are interpreted as being offshoots from a larger body at depth; the main exploration target.

The Company is also actively exploring its Allamber Project, with this area, located over the Pine Creek Orogen in the NT, being prospective for a range of skarn-hosted base and precious metals, as well as uranium, for which a resource of 1.4Mt @ 304ppm U₃O₈ has been defined, and which is still open.

Lower priority, but still highly prospective holdings include the uranium prospective Ngalia Basin Project and a number of tenements in the East Kimberley region of WA.



Company Update

Substantial Progress

Substantial progress on key projects

Thundelarra Limited (“Thundelarra” or “the Company”) has made substantial progress on its key Doolgunna (Red Bore and Curara Well) and Allamber (Pine Creek) Projects since our November 2014 initiation report.

Work completed subsequent to November has included:

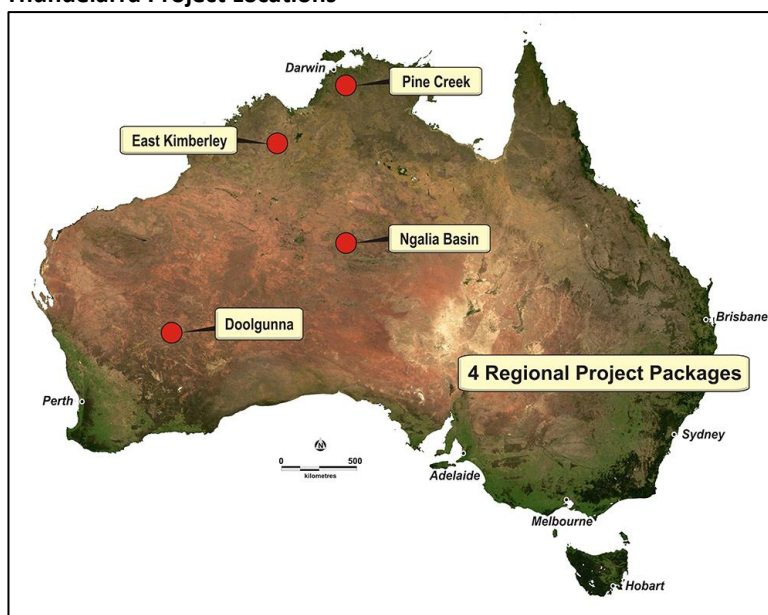
- Reverse circulation (RC) drilling at Red Bore (11 holes for 1,432m), testing the Gossan, Impaler and other targets
- Detailed airborne magnetics survey over the Red Bore and Curara Well areas
- Audio magneto-telluric (“AMT”) surveying over Red Bore and Curara Well
- Downhole electro-magnetic (“EM”) geophysical surveying on selected Red Bore holes
- 3,482m of RC drilling in 21 RC holes at Allamber, testing a number of targets
- Downhole EM surveying on selected Allamber drillholes

Work includes drilling at Doolgunna and Allamber, and geophysics at Doolgunna

This work has returned very encouraging results, with further exploration programmes now in the planning stage, with drilling expected to commence at Doolgunna in late April/early May, and Allamber later in the year.

Encouraging results have been returned from the drilling and geophysics

Thundelarra Project Locations



Source: Thundelarra

Doolgunna Project (THX 90%)

Introduction and Exploration Rationale

The Red Bore ML is located over units of the Narracoota Formation, the mafic volcano-sedimentary package that hosts the nearby DeGrussa mineralisation. The Narracoota Formation is located within sediments and volcanics of the Paleoproterozoic Bryah Basin.

Red Bore hosts high grade, steeply plunging copper mineralised pipes

Copper/gold/silver mineralisation identified thus far within the Red Bore tenement is in the form of narrow, vertically extensive pipes, which have been intersected in drilling to 94m depth. The Company is of the view that these may provide vectors to deeper, larger scale mineralisation.

Interpretations include that these may represent remobilised mineralisation from a deeper magmatic or massive sulphide source (thus far unidentified), else possible feeders from a deeper source to overlying, and now eroded massive sulphide lenses, similar to the

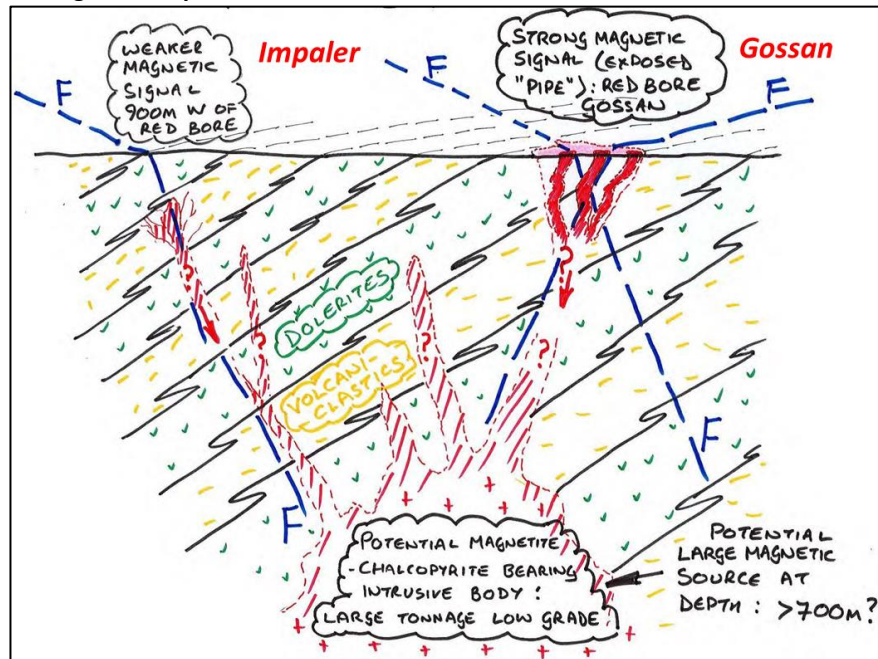


massive sulphide mineralisation at DeGrussa. Sandfire, in its December 2014 Quarterly Report, has made initial reference to exploration for such “feeder zones” at DeGrussa.

Exploration by Thundelarra has been concentrated on identifying and tracing the pipes, in an attempt to find the interpreted large tonnage body at depth.

Exploration has been concentrated on identifying and tracing the pipes, in the search for an interpreted larger mineralised body at depth

Geological Interpretation – Red Bore



Source: Thundelarra

The Curara Well tenement to the NE contains some 15km strike length of the Jenkins Fault Zone (“JFZ”), which is interpreted as being a major north dipping basal growth fault and a fluid conduit, active at the time of the DeGrussa mineralising event.

Potential for the VHMS prospective Narracoota Volcanics underlying thrust sheets of granite at Curara Well

The JFZ is exposed in the eastern part of the tenement; to the west granite has been mapped at the surface. A recently postulated model suggests the granite may reflect thin over-thrust sheets, with the prospective Narracoota Formation below – this has been supported by recent work by the GSWA in the region (Report 135, GSWA, DMP, 2014). This interpretation is also similar to the geology at Plutonic some 25km to the north, where Archean greenstones hosting the gold mineralisation are partially covered by thin over-thrust sheets of granite.

Late 2014 Drilling

Eleven RC holes drilled at Red Bore in late 2014

The Company completed an eleven hole, 1,432m RC drilling programme at Red Bore in late 2014, with final assay results being received in early 2015, as announced to the market on February 9, 2015.

The programme included five holes that tested the known Red Bore Gossan (now termed the Gossan prospect) mineralisation, with the remaining six testing additional geophysical anomalies, including three at the Impaler prospect which was identified from historic magnetics surveys.

Holes at the Gossan prospect have traced the mineralised pipes down to a depth of 94m, with the mineralisation still being open down plunge

The holes drilled at Gossan were successful, and have traced the mineralised structures down to 94m depth, with these still being open down plunge. Significant intersections at Gossan included:

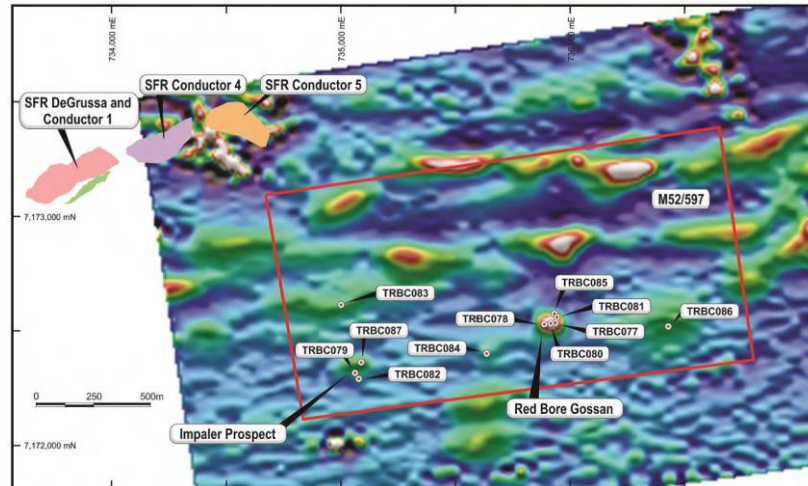
- 21m at 5.3% Cu, 1.2 g/t Au, 7.0 g/t Ag from 50m in hole TRBC077
- 68m at 1.9% Cu, 1.0 g/t Au, 3.8 g/t Ag from 26m in hole TRBC080
 - including 7m at 5.0% Cu, 0.5 g/t Au, 10.8 g/t Ag from 87m
- 5m at 10.4% Cu, 0.50 g/t Au, 11.0 g/t Ag from 59m in hole TRBC081

Drilling at Impaler has suggests proximity to a pipe

Magnetite and oxide copper mineralisation intersected in hole TRBC087 at Impaler indicates proximity to a Gossan prospect style pipe, with this supported by the magnetic anomaly which was the original target for drilling – this will be further tested in the upcoming drilling programme.

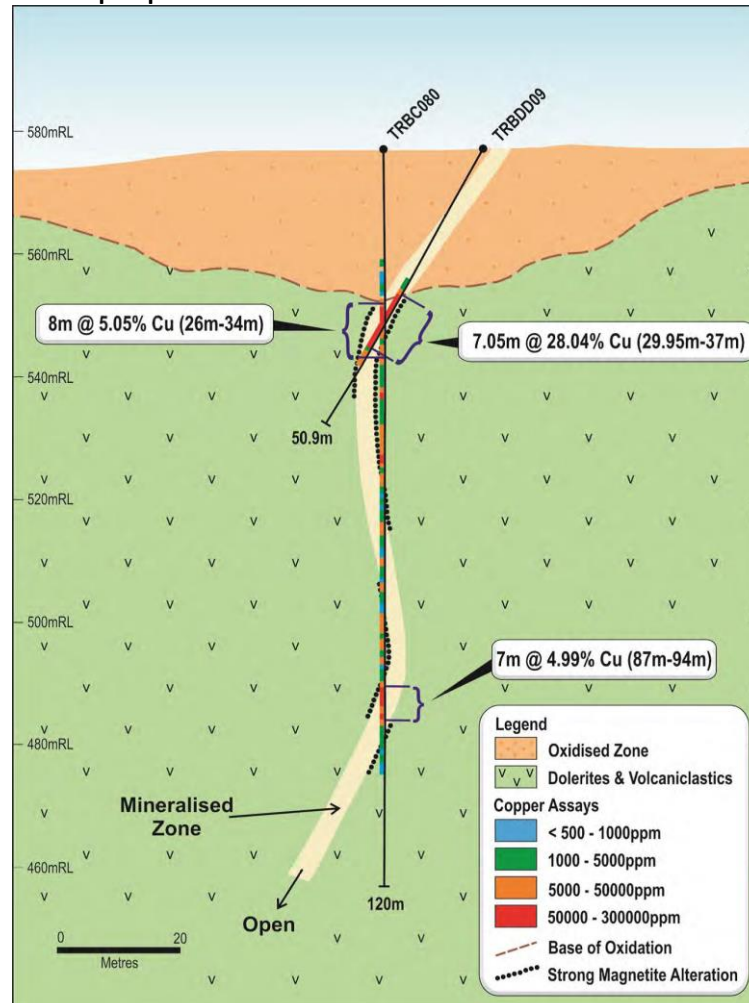
Results of the other holes were generally negative, with the geophysical anomalies ascribed to either gabbroic rocks with accessory magnetite, else magnetite-bearing jaspilitic rocks in the case of hole TRBC086.

Red Bore ML showing late 2014 drilling



Source: Thundelarra

Gossan prospect cross section



Source: Thundelarra



Geophysical Surveying

A key issue at the Gossan prospect and similar targets is the lack of response to EM geophysical surveys, which would normally be expected with high grade chalcopyrite copper mineralisation. Laboratory testwork has confirmed this, and thus the Company has had to look at other methods for targeting the mineralisation. Other factors affecting EM responses in the tenements include the presence of conductive black shales in the lithological package.

Detailed magnetics have been flown over Red Bore and Curara Well

Given the association with magnetite, magnetics surveying is a viable exploration tool, with prospects initially being targeted from historic airborne magnetic surveys. As part of the current exploration programme, the Company has flown a detailed survey over the Red Bore tenement, using a 30m flight height and 50m line spacing. The Curara Well tenement was also flown, with a broader 100m line spacing.

AMT surveying has also been undertaken, to elucidate the geological architecture at depth

In an attempt to elucidate the geological architecture at depth, the Company has also completed a number of lines of AMT surveying over both Red Bore and Curara Well. The survey data is currently being interpreted, however preliminary results, particularly at Curara Well, are very encouraging.

Preliminary results from the AMT survey support the exploration model for Curara Well

The Company's exploration model for Curara Well invokes thin sheets of granite thrust over Doolgunna Volcanics along the Jenkins Fault Zone, which is interpreted as a growth fault active at the time of the mineralising events in the region – preliminary results from the current work, and regional results from GSWA work support this hypothesis.

Ground truthing of geophysical anomalies is now under way

Interpretation and ground truthing (including geological mapping and surface sampling) of the geophysical anomalies is currently under way – these include both new anomalies and confirmation of previously identified anomalies, and will be used in drill programme planning.

RC drilling is planned for Red Bore, with aircore and RC drilling planned for Curara Well

Planned Activities

The Company is currently planning for further RC drilling at Red Bore, and aircore, followed up by RC drilling at Curara Well. Thundelarra is currently working through the permitting and statutory requirements for the planned drilling.

The Red Bore drilling is expected to commence by early May

Approximately 3,000m in 15 holes is planned for Red Bore, which is expected to commence in late April/Early May. This will further test Gossan and Impaler, as well as test other anomalies confirmed by the recent geophysics.

RC drilling meterage at Curara Well will depend upon the results of target identification including ground surveying and aircore drilling.

Allamber Project – Pine Creek (THX 100%)

Allamber is considered prospective for skarn and replacement style base metal, precious metal and uranium mineralisation

Introduction and Exploration Rationale

The Allamber Project, located in the Pine Creek region approximately 180km SE of Darwin is considered prospective for skarn and replacement style base and precious metal mineralisation, with copper being the primary target. In addition the Cliff South prospect is prospective for uranium mineralisation, with a small JORC-compliant resource of 1.4Mt @ 304ppm U₃O₈ being identified.

The nine 100% held tenements are located over units of the Pine Creek Orogen, a Paleoproterozoic belt that is the host to the majority of mineralised occurrences in the Northern Territory. Geology at Allamber includes metamorphosed silicic to calcareous sediments, forming a southeast trending double plunging anticline, with the more calcareous (and reactive) units exposed in the core. The sediments are intruded by the younger Cullen Suite granites, and it is interpreted that there is also a smaller buried alkali intrusion within the eastern side of the sediment package.

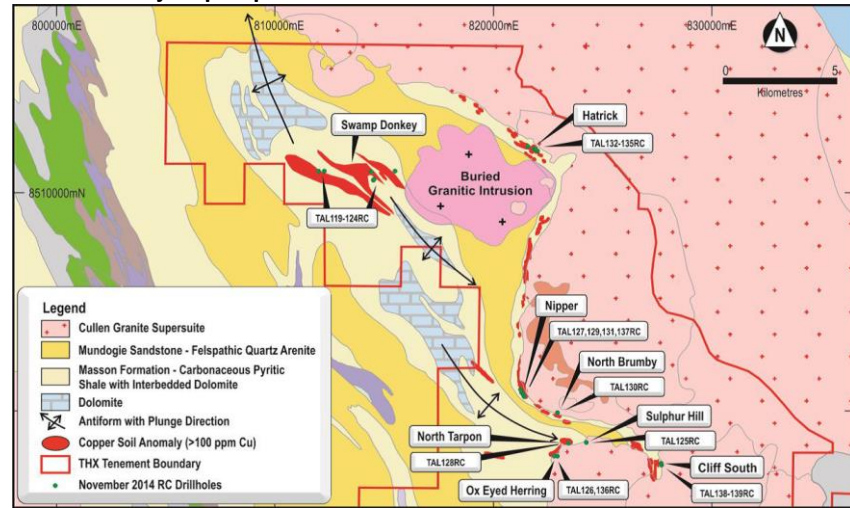


Late 2014 Drilling

A 21 hole RC drilling programme was completed in late 2014, testing a number of targets at Allamber

An RC drilling programme, comprising 21 holes for 3,482m was carried out in October and November 2014, with final results announced to the market on February 3, 2015. The drilling tested a number of prospects within the package, with encouraging results from some, and as expected in a programme of this type, some prospects being downgraded.

Allamber Project prospect and drillhole locations



Source: Thundelarra

The most encouraging results were from the Ox-Eyed Herring prospect

The most encouraging results were from the Ox-Eyed Herring prospect, with high grade copper intersected in two holes, including 8m @ 2.71% Cu in hole TAL136RC. In addition the Nipper prospect returned elevated tungsten results, including 6m @ 0.18% W in hole TAL138RC. Significant results are summarised in the table below.

Significant drill results – Allamber Project

Hole No	From	To	Interval	Cu (%)	W (%)	Bi (%)	U (ppm)	Prospect
TAL126RC	126m	128m	2m	0.57	0.09	-	-	Ox-Eyed Herring
TAL126RC	143m	148m	5m	0.68	-	-	-	
incl.	144m	146m	2m	1.18	-	-	-	
TAL129RC	50m	67m	17m	0.35	0.03	-	-	Nipper
TAL135RC	204m	207m	3m	1.56	-	-	-	Hatrick
TAL136RC	112m	120m	8m	2.71	-	0.67	-	Ox-Eyed Herring
incl.	113m	118m	5m	4.23	-	-	-	
incl.	115m	117m	2m	6.86	-	1.69	-	
TAL136RC	123m	129m	6m	0.31	-	-	-	
TAL137RC	52m	63m	11m	0.44	0.06	0.02	-	Nipper
incl.	53m	56m	3m	1.06	0.04	0.05	-	
and	60m	66m	6m	0.16	0.18	-	-	
TAL138RC	150m	156m	6m	0.14	-	-	-	Cliff South
	255m	257m	2m	0.03	-	-	437	
	283m	286m	3m	0.05	-	-	129	

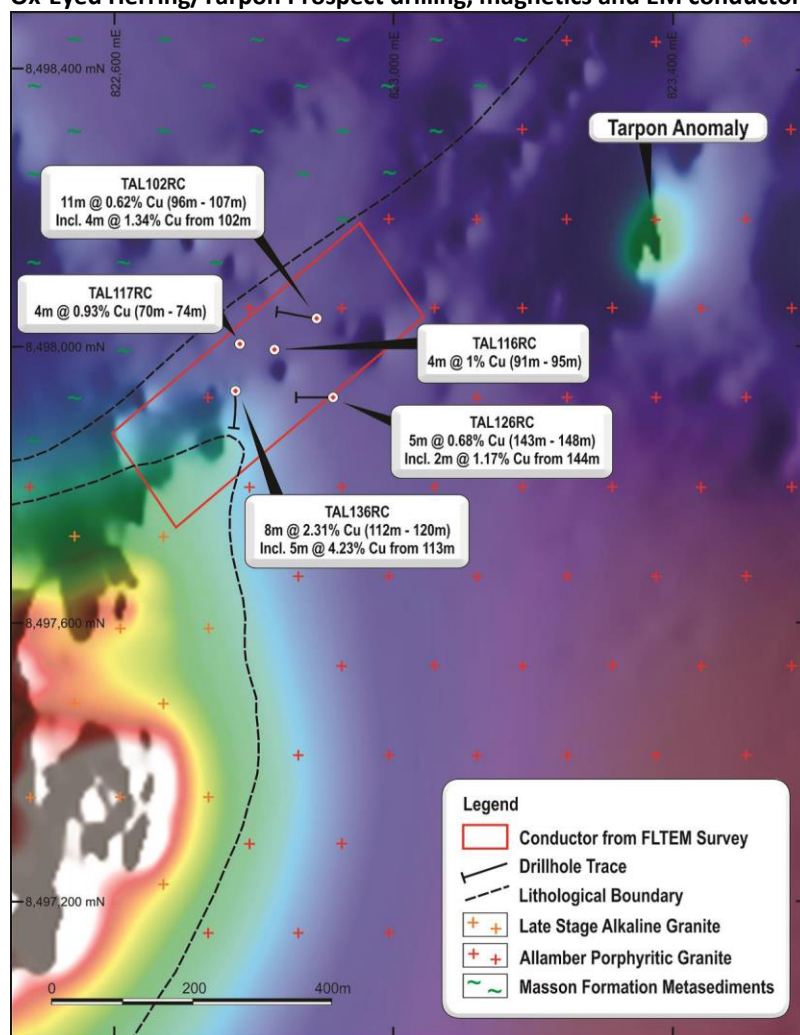
Source: Thundelarra

Base metal mineralisation, which shows a Cu/Au/Ag/Sn/Bi association at the Ox-Eyed Herring/Tarpon prospect, is associated with sulphidic zones, dominated by pyrite and pyrrhotite, which are also the interpreted sources of the EM anomalism. Being an interpreted skarn/replacement style mineralised system means zonation and metal relationships can be complex, however these commonly show increased metal endowments closer to the source intrusion.

Work is underway on Ox-Eyed Herring to target the location of the inferred mineralising granite

Work, including petrology and alteration studies, is currently underway to target the location of the inferred intrusion that is considered to be the cause of the mineralisation here.

Ox-Eyed Herring/Tarpon Prospect drilling, magnetics and EM conductor



Source: Thundelarra

Further work is required at the Cliff South Cu/U prospect – the drilling programme was cut short due to unstable ground conditions

Unstable ground conditions precluded completion of drilling at Cliff South, which was designed to test for uranium and copper mineralisation below the base of oxidation. The limited drilling completed did intersect anomalous uranium (although no economic grades were intersected in fresh rock), however further work is required to fully assess the prospect.

Other prospects were downgraded

The Company's view is that the four holes drilled at Nipper downgraded the prospect, although highly anomalous tungsten was intersected.

Other prospects downgraded include Swamp Donkey, into which six holes were drilled. The drilling intersected a number of hornfelsed sequences, with some associated copper and tungsten anomalism, with the main sulphides being pyrite and pyrrhotite. The results indicate a generally dry system, with little potential for economic mineralisation.

Other downgraded prospects, for which no further work is planned, include Sulphur Hill, North Brumby and Hatrick.



No work was carried out on the other projects

Other Projects

No work was completed on the Ngalia Basin or East Kimberly Projects during the period.

The Ngalia Basin Project however is still considered very prospective for uranium mineralisation, with only 15km of the 400km of identified paleo-channels being tested to date. The Company is currently looking for a JV partner to progress the project, with the Northern Territory government also keen to help foster any potential partnerships.

Breakaway's View

Work undertaken since our November 2014 initiation note has returned positive results, and particularly in the case of Doolgunna, has confirmed the prospectivity of Thundelarra's projects.

The copper mineralisation thus far traced down plunge for 94m at the Gossan prospect (and likely repeated at Impaler) remains enigmatic; however does act as potential vectors for an inferred large mineralised body at depth, which is the Company's primary target. Whether these pipes represent offshoots off a deeper magmatic body, feeders for some now eroded massive sulphide, remobilised mineralisation or something else entirely is open to conjecture, however they do require follow up, and our view is that the exploration being undertaken is suitable, including the close spaced drilling which is required to follow the pipes down.

One concern that has been raised is the small size of the Red Bore tenement, which limits the "blue sky" potential. However, as mentioned above, results to date within the tenement have been very positive, confirming the prospectivity, and there is more than ample room to fit a DeGrussa or larger size body into the Licence.

The adjacent Curara Well Project is shaping up as very promising, with the recent Thundelarra and GSWA interpretations of the geology from the AMT surveying confirming the potential of the area to host massive sulphide mineralisation.

Although the recent drilling at Allamber has downgraded a number of prospects, the work at Ox-Eyed Herring has confirmed the prospectivity, with more work now required to interpret the drilling results, and plan the next drilling campaign. As we mentioned, replacement and skarn mineralisation can be very complex at times, and this prospect requires further work.

The Ngalia Basin uranium ground remains too prospective and valuable a tenement package to let go, although commercially unrealistic for Thundelarra to explore themselves. As such the strategy of looking for a JV partner on this underexplored package is ideal.

The board and management have shown that they are committed explorers, with a large proportion of expenditure going directly into the ground. Our view is that technical work is done to a high standard and is scientifically rigorous and innovative – a key for maximising "bang for the buck".

Another positive on the personnel side is that they have a significant stake in the Company – in our view this is an important factor in any company.

Finally, unlike a large number of juniors in the current market, Thundelarra is well funded, with \$6.4 million in the bank as of December 31. At current spending rates this should last through into 2016.

As such, we maintain our SPECULATIVE BUY rating for Thundelarra, and with ongoing work expect ongoing positive news flow.

We maintain our SPECULATIVE BUY rating for Thundelarra



Analyst Verification

We, Grant Craighead and Mark Gordon, as the Research Analysts, hereby certify that the views expressed in this research accurately reflect our personal views about the subject securities or issuers and no part of analyst compensation is directly or indirectly related to the inclusion of specific recommendations or views in this research.

Disclosure

Breakaway Investment Group (AFSL 290093) may receive corporate advisory fees, consultancy fees and commissions on sale and purchase of the shares of Thundelarra and may hold direct and indirect shares in the company. It has also received a commission on the preparation of this research note.

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