FRANCES MAUDE PROJECT NT

ELS 10043 AND 10167

PINE CREEK NT

FOR THE PERIOD

5 SEPTEMBER 2007 TO 4 SEPTEMBER 2008

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TABLE OF CONTENTS

FIGURES

APPENDICES

SUMMARY

Work during the year consisted mainly of ground radiometric surveying and RC drilling of six holes on the Big Buff uranium prospect on EL 10043. Moderately significant uranium and base metal mineralisation was encountered.

1. INTRODUCTION

This document is the Sixth Annual Report for the Frances Creek Project (FMP) comprising ELs 10043 and 10167.

It covers the period 5 September 2007 to 4 September 2008.

2. TENEMENT STATUS

Both ELs 10043 and 10167 were granted on the 5 September 2002.

Blocks were dropped in 2004 as required.

An additional two blocks of EL 10043 were relinquished in September 2005, leaving two blocks in Year 4. Waivers of reduction were allowed in 2006, 2007 and 2008 so the tenement remains as shown in Figure 3.

Three blocks of EL 10167 were relinquished leaving three blocks in Year 4 and similarly waivers of reduction were allowed in 2006, 2007 and 2008 leaving the tenement as shown in Figure 4.

These waivers of reduction were allowed as negotiations with several companies were in progress for the joint venturing or optioning of both tenements. The 2008 waivers were allowed as Thundelarra had encountered significant mineralisation on both tenements warranting further work.

3. LOCATION

The regional location of ELs 10043 and 10167 is shown in Figure 1. The geological setting of the Frances Creek project is shown in Figure 2.

The tenements are north of the Kakadu Highway northeast of Pine Creek, NT. They are accessible from station tracks leading off that highway.

4. GEOLOGY

Figure 2 shows the regional setting of the Frances Maude Project being adjacent to the Cullen Granite Batholith. The tenements are underlain by poorly outcropping carbonates and black shales with dolerite intrusions all of Early Proterozoic age.

5. PREVIOUS ACTIVITY

For a very detailed description of previous mapping and exploration activity in the FMP area the reader is referred to the First Annual Report.

For a description of Thundelarra Exploration's activities regionally the reader is referred to the Fifth Annual Report.

6. EXPLORATION PROGRAM AND TARGETS

With the involvement of Thundelarra Exploration Ltd the primary target mineralisation is now uranium with base metals remaining as secondary priority. These targets have been formulated by the recognition of several similarities between the setting of the base metal and uranium mineralisation at the Rum Jungle Mineral Field and the Frances Maude project area.

Thundelarra's program on these tenements is also influenced by the company's success in uranium exploration on other ground in the Pine Creek Orogen accessible to them through their joint venture agreement with GBS Gold.

7. METHODS

7.1 Reappraisal of Frances Maude Project by Thundelarra Staff

With the addition of new experienced geological staff to the Thundelarra team, the new geologists each visited the El 10167, Flying Fox project and examined field geology, geophysics and drill results from previous years activities.

In addition the new staff visited the EL 10043, Big Buff uranium project and examined field outcrops and drill data.

These new staff comprised Messrs Costica Vieru and Harry Mees.

7.2 Ground Radiometrics

Systematic ground radiometrics was done on a line spacing of 50ms with readings at 20m centres over the Big Buff area. The *Exploranium GR 110-G* scintillometer was read at waist level with a 10 second accumulation. Survey control was by hand held GPS.

Individual readings are shown in Appendix 1 and results on Figure 7.

A total of 6120m of ground traversing was done.

7.3 Reverse Circulation Drilling

Range Drilling were contracted by Thundelarra to carry out the drilling program at the Big Buff Uranium Prospect. This drilling was undertaken as part of the Option Agreement between Thundelarra and the tenement owners. The target was to follow up the uranium mineralisation tested by Total Mining in the 1980s.

A total of six angle holes for 358m were drilled.

Representative composite drill samples were collected at 4m intervals for all holes. In addition one meter samples were collected where significant geology or radiometrics were encountered. See Appendix 2 for details.

All chip samples were analysed in Darwin by Northern Territory Environmental Laboratories for the following elements: Au, Pd, Pt, Co, Cu, Ni, Pb, U and Zn. Results are shown in Appendix 3.

8. WORK DONE AND RESULTS

8.1 EL 10043 & EL 10167 Uranium Prospects

Several known uranium prospects discovered by TOTAL Mining in the 1980s are known to exist on and near ELs 10043 and 10167 including the Cleos (Dam and Twin) Uranium prospect currently held by Atom Energy Ltd.

These were visited by Thundelarra staff during the year and their geological setting recorded for comparison with other Thundelarra properties in the Pine Creek Orogen.

8.2 EL 10043 Big Buff Uranium Prospect

During Year 6 of this tenement the Optionee company Thundelarra Exploration Ltd completed six RC drill holes in the vicinity of the Total Mining Australia (TMA) Big Buff uranium prospect.

Drill sites were selected to test other possible loci of uranium mineralisation in the environment of the black shale-carbonate-granite interface associated with faulting.

The drill program was augmented by detailed ground radiometrics.

8.2.1 Radiometrics

Appendix 1 lists the readings obtained and Figure 7 is a plan of results.

As can be seen on Figure 7 the sinuous main granite contact trending generally east-west along the north of the surveyed area is well defined by elevated TC readings from 230 c/s upwards. The high readings in the centre of the plan and along the eastern edge are a reflection of the uranium mineralisation in the area associated with black shales and calcareous rocks. The low radiometric readings depicted as green and blue on the plan are underlain by (unmineralised) black shales.

8.2.2 RC Drilling

Figure 8 shows in plan on a geological map the location of the six drill holes completed.

The various target positions were chosen on the basis of a reinterpretation of TMA's geology plus detailed ground radiometrics.

The six holes drilled totaled 358ms varying in depth from 40 to 90ms and were drilled during the period 7 to 13 Sept 2007.

All holes were drilled at 60 degrees at azimuths as indicated. Drill logs are shown in Appendix 2. Assay results in Appendix 3 and Drill hole assay results with statistics in Appendix 4.

Figures 9, 10 and 11 are drill sections showing geology and assays and TMA holes are shown if nearby.

Drill holes 07NT06, 07 and 08 were drilled on the same section as TMAs ALNP24 although drilled azimuth northerly rather than southerly. This was to test the stratigraphy closer to the granite contact. Figure 9 shows the section of all holes.

Hole **07NT06** passed from graphitic shales into an alternating sequence of granites, silicified dolomites, hornfels and at 53m into pyritic-graphitc schist and finally a quartz-mica-garnet gneiss. Between 20 and 26 metres on a granite-dolomite contact, at the 21m water table, chip samples registered elevated TC radiometrics to 1,200 c/s . The 4m composite sample, 20-24m (650206) returned 148ppmU and the 1m sample, 23-24m (650231) 410ppmU. The same hole registered anomalously high in lead, averaging 540ppmPb over the 90m hole length, and zinc over the same interval averaging 734ppmZn.

Hole **07NT07** undercut 07NT06 to determine whether the high radiometrics at the water table was of hydrogene origin. This hole was entirely in graphitc-pyritic schist from the surface to 32m and from 50 to 60m with the 32 to 50m section being gneissic hornfels probably derived from graphitic shales. Slightly elevated radiometrics were hit at 37 to 39m with no high readings at the water table at 22m. The slightly high chip radiometrics returned only 24.8ppmU. Lead values were again anomalously high over the entire 60m hole, averaging 417ppmPb. Zinc average was low at 129ppmZn.

Hole **07NT08** was collared to test the outcropping surface high radiometrics associated with a gossanous fault zone immediately south of TMAs hole ALNP24. This had registered to 1200 c/s TC and a U/Th ratio of 109.3ppp/20.9ppm. A rock chip sample had returned 115ppmU, 7ppmTh, 820ppmZn, 213ppmAs. This hole penetrated an alternating sequence of gossanous graphitic shales/schists and silicified dolomites with a narrow dyke of aplite from 31 to 35m. The hole was abandoned due to collapsing ground at 40m in slightly silicified dolomite with elevated radiometrics to 869 c/s. The broken ground probably was due to the interpreted fault zone. The assay of the last composite sample from this hole, 36-40m (654014) returned 135ppmU.

Figure 10 is a section showing Holes 07NT09 and 10, which were collared to test a surface gossan with high radiometrics on the northern contact of an isolated aplite body. Neither hole intercepted any significant uranium mineralisation

Hole **07NT09** went to 54m passing through aplite, dark grey, very fine grained hornfels and back into granite/aplite. No significant radiometrics were encountered. Average assays indicated slightly above normal lead (Pb 103ppm) and zinc (Zn 230ppm) but copper, nickel, cobalt and uranium were background values.

Hole **07NT10** went to 57m and passed through similar lithologies except for the first 8m in weathered graphitic schist. There was a slight increase in radiometrics to 395 c/s at the schist / aplite-granite contact. Significant lead mineralization was intersected at 44m with visible galena seen in chips. This is reflected in the 4m composite sample (654040) returning 0.915% Pb, supported with above average zinc (1190ppmZn).

The last hole drilled, Hole **07NT11,** was collared to test the contacts of the outcropping silicified dolomite. It went to 57m and passed from graphitic, pyritic shales/schist into silicified dolomites and cherts with chlorite alteration and at the base of the hole into fresh dolomite that gave a positive HCl acid test. Slightly elevated radiometrics to 519 c/s were encountered from 30 to 37m which was reflected in uranium assay of 100ppm from sample 654052.

8.3 EL 10167

During the year several visits to the Flying Fox grid were made by Thundelarra staff geologists. In addition, the chips and assay results from last year's drilling were re-examined and some significant observations made.

The high Cu value of 925ppm from hole 07NT06 was noted. Also the high pyrrhotite content of the host rocks as the explanation for the 5000nT magnetic anomaly remains somewhat of a problem as two independent geophysicists had been adamant only magnetite could give such an anomaly.

9. CONCLUSIONS

9.1 EL 10043

The planned field work has been successfully completed with Thundelarra geologists making some interesting observations:

- Most increased radioactivity and uranium mineralisation seems to be close by aplite/granite intrusions and interpreted faulting. This is the case in outcrop as well as in drill holes. This suggests uranium mineralisation at Big Buff is possibly vein type rather than of the Rum Jungle Model.

- Several of the holes drilled have shown anomalously high lead values (07NT06,07 and 10). This lead mineralisation can be interpreted to be similar to the Rum Jungle Model or be simply derived from the granite.

- The fact that none of drill holes 07NT08,09 and 10 intersected the target mineralised veins/faults that were visible on surface suggests that drilling has been in the wrong direction.

9.2 EL 10167

Geological staff of Thundelarra have re-examined drill results from last year and have noted the anomalous copper value of 925ppm in hole 06NT05 that had not been emphasized in last year's report.

The high amounts of pyrrhotite in drilling at the Flying Fox prospect as an explanation for the 5000nT ground magnetic anomaly remains surprising as two geophysists that had seen the data were convinced magnetite was the mineral causing the anomaly.

10. RECOMMENDATIONS

10.1 EL 10043

The scale of mapping and ground radiometrics to date has not been sufficiently detailed to allow the required structural interpretation. This is required to delineate the small but significant surface radioactive highs and to relate them to the stratigraphy and local structure. Such work is a prerequisite to future drilling.

Future ground radiometrics should be done if possible using a 1 second reading scintillometre Bluetooth connected to a 30 second reading GPS system. Such a system is available using the *RS-125 Super-Spec.* Lines should be at 10m intervals.

10.2 EL 10167

Before a final decision is made in respect to this tenement, it is recommended that the results of the Geoscience Australia airborne EM survey be studied in detail to see whether there is any response to the abundant sulphides present in the vicinity of the Flying Fox prospect.

It may well be that the pyrrhotite, with minor Cu mineralisation encountered in the 2006 drilling is the outer rim of a concealed base metal mineralised body.

11. EXPENDITURE STATEMENT

	EL 10043	EL 10167
Assaying	8,384	1,881
Consultants	22,690	7,639
Drilling RC	22,219	
Earthmoving	2,136	1,091
Field Supplies, Fuel	196	999
Hire Plant & Equipment	1,614	2,214
Salaries & Wages	613	1,972
Tenement Admin Costs	664	3,434
Travel Accommodation & Meals	24	11,068
Vehicle Rental		462
Totals	**$58,540**	**$30,760**

12. PROGRAM AND BUDGET FOR NEXT YEAR

The proposed program for next year will follow the recommendation as noted above:

For EL 10167

Geophysical Interpretation and ground follow-up	5,000
Geological Mapping	2,000
Drilling	10,000
TOTAL	**$17,000**

For EL 10043

Detailed Ground Radiometrics	5,000
Geological Mapping	6,000
Drilling RC and Diamond	15,000
Assaying	2,000
Travel, Supervision, Overheads	4,000
TOTAL	**$32,000**

The budgeted drilling on both ELs is subject to successes earlier in the year so suggested covenants are as follows:

EL 10043 12,000

EL 10167 5,000

REFERENCES

Earthrowl, J.A. (2003) First Annual Report for Frances Maude Project (ELs 9899, 10043, 10167)

Earthrowl, J.A. (2004) Second Annual Report for Frances Maude Project (ELs 10043, 10167)

Earthrowl, J.A. (2004) Final Report for EL 9899

Earthrowl, J.A. (2005) Third Annual Report for Frances Maude Project (ELs 10043, 10167)

Earthrowl, J.A. (2006) Fourth Annual Report for Frances Maude Project (ELs 10043, 10167)

Earthrowl, J.A (2007) Fifth Annual Report for Frances Maude Project (ELs 10043, 10167)

Figure 1 Regional Location of ELs 10043 and 10167

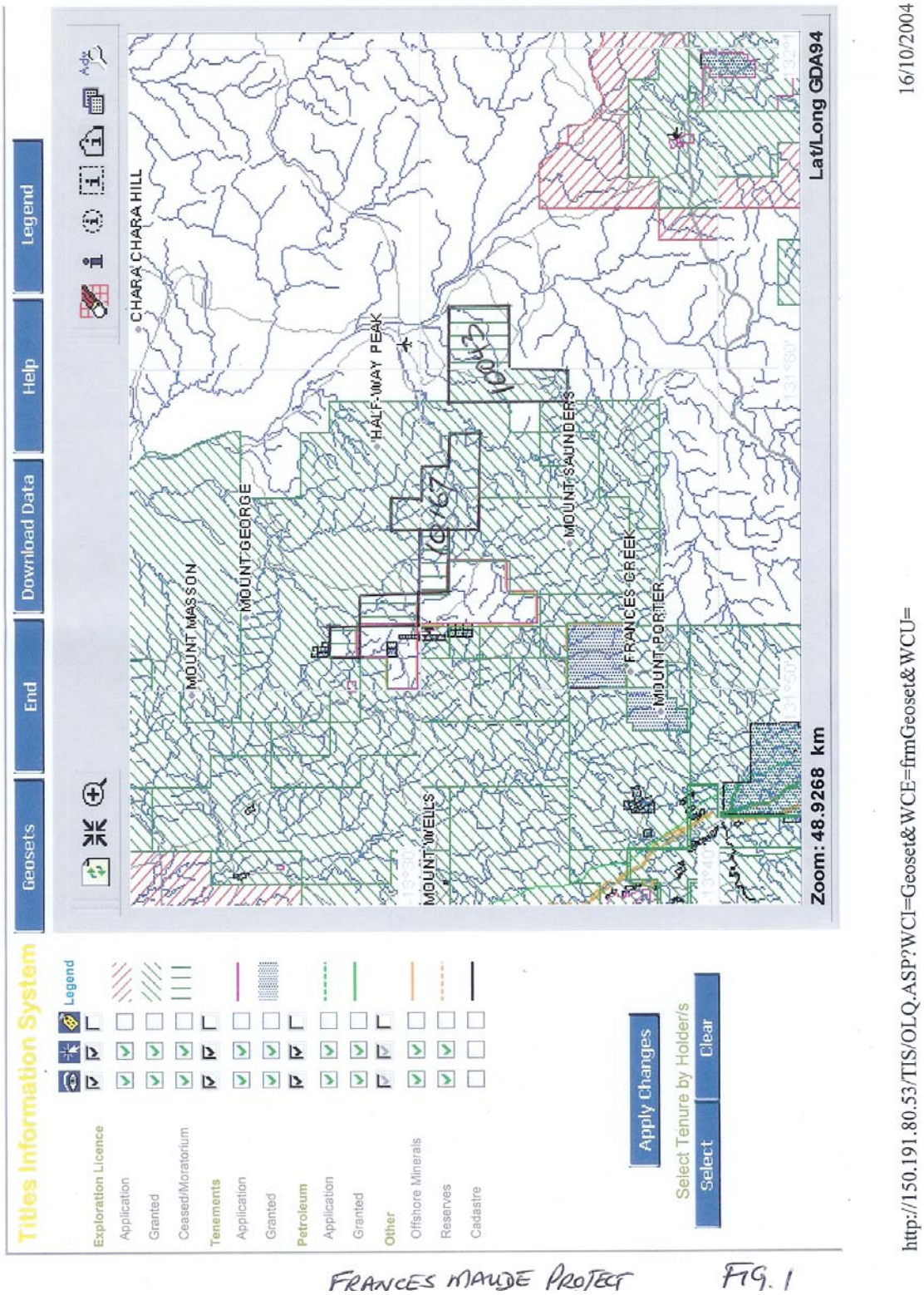


Figure 2 Location of Frances Maude Project

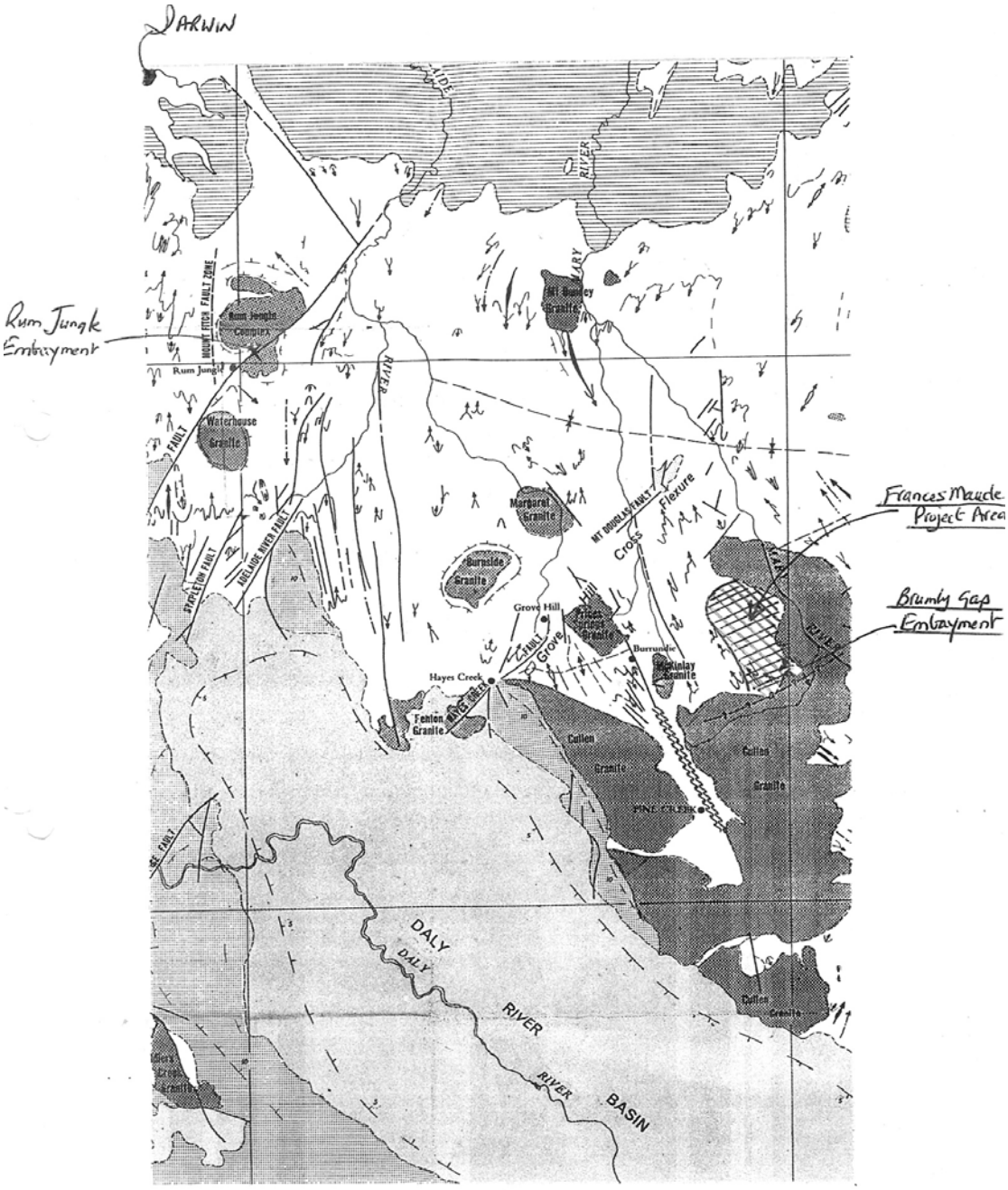


Figure 3 EL 10043 Current Status of Tenement

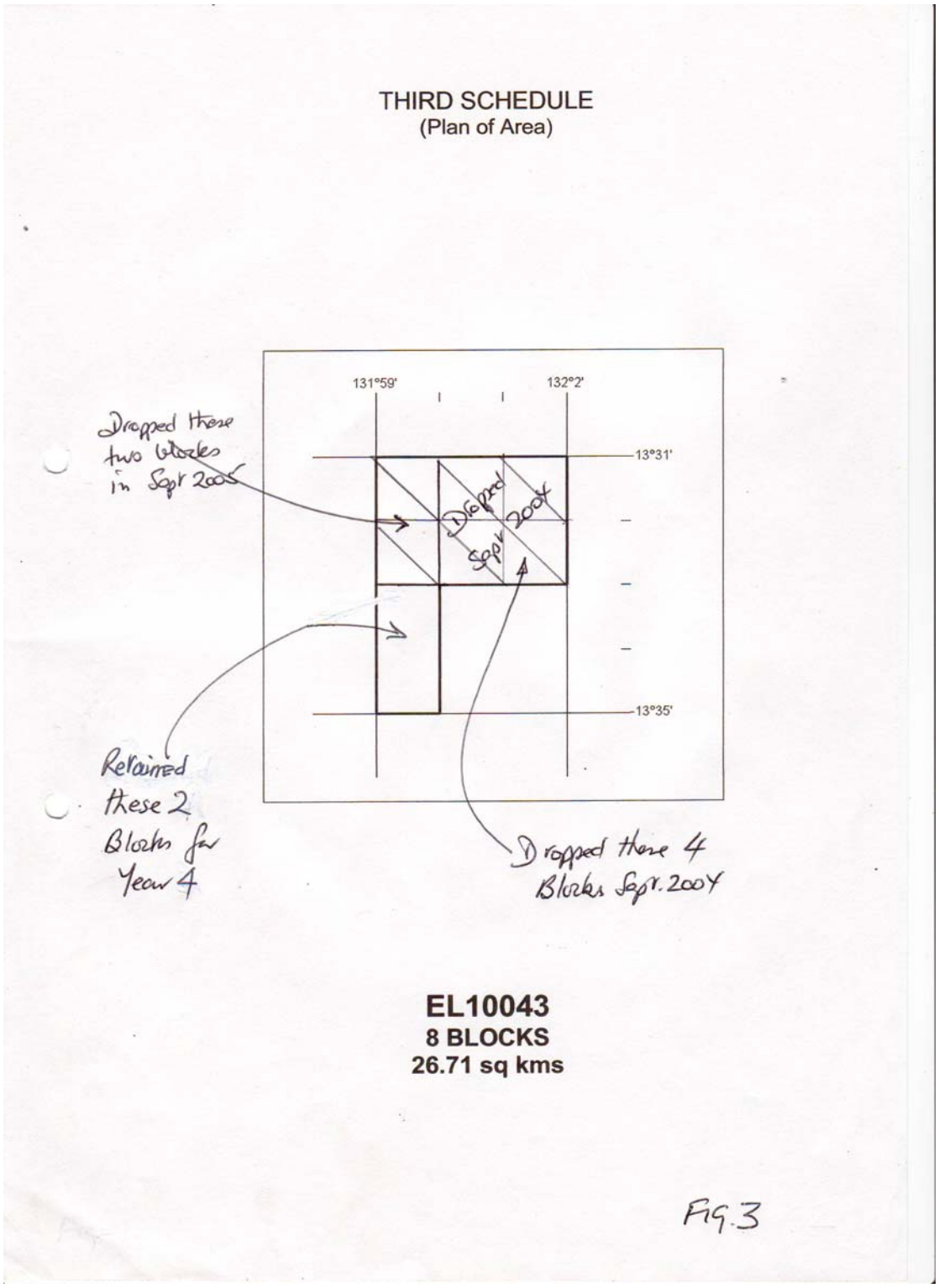
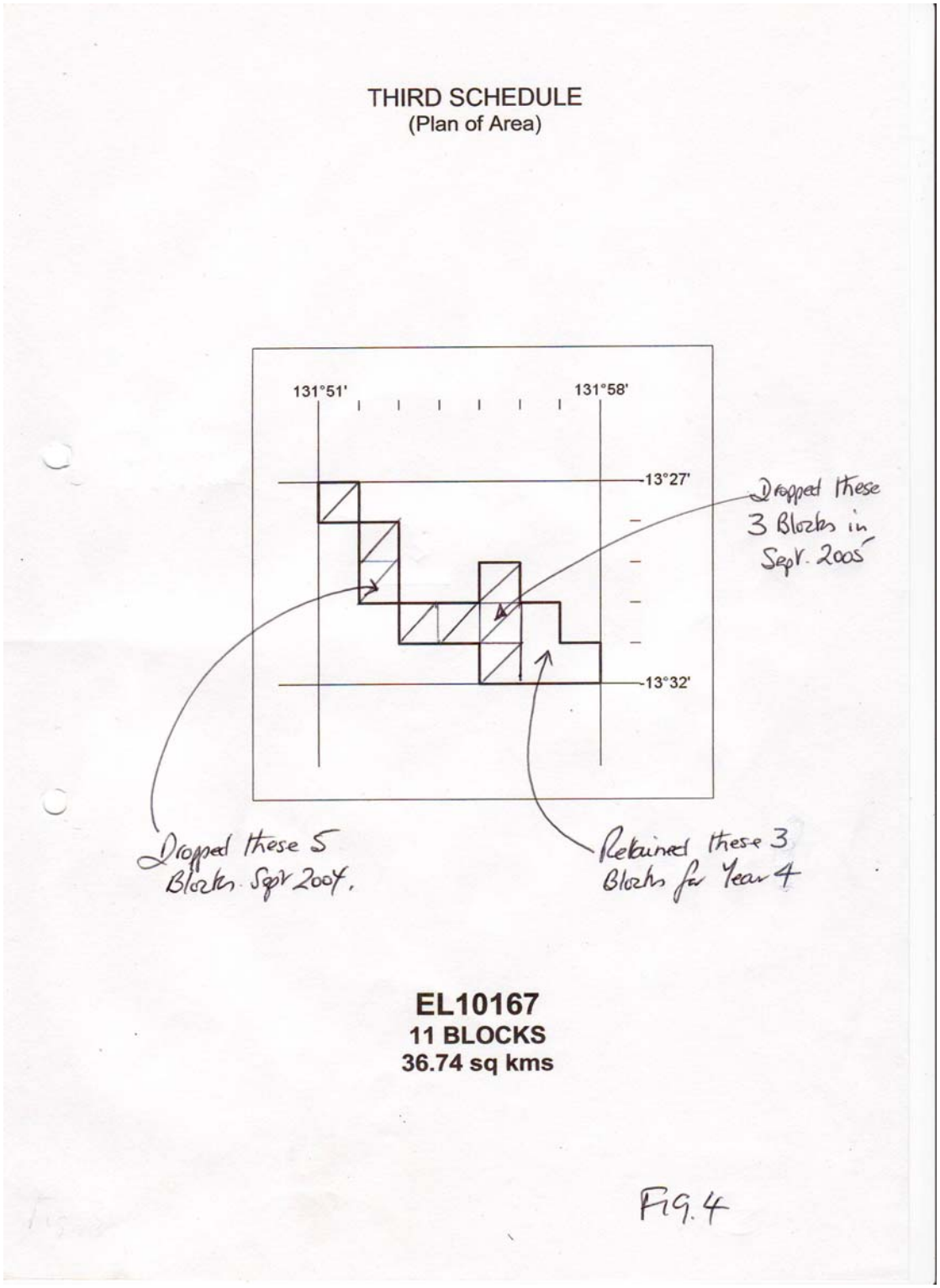
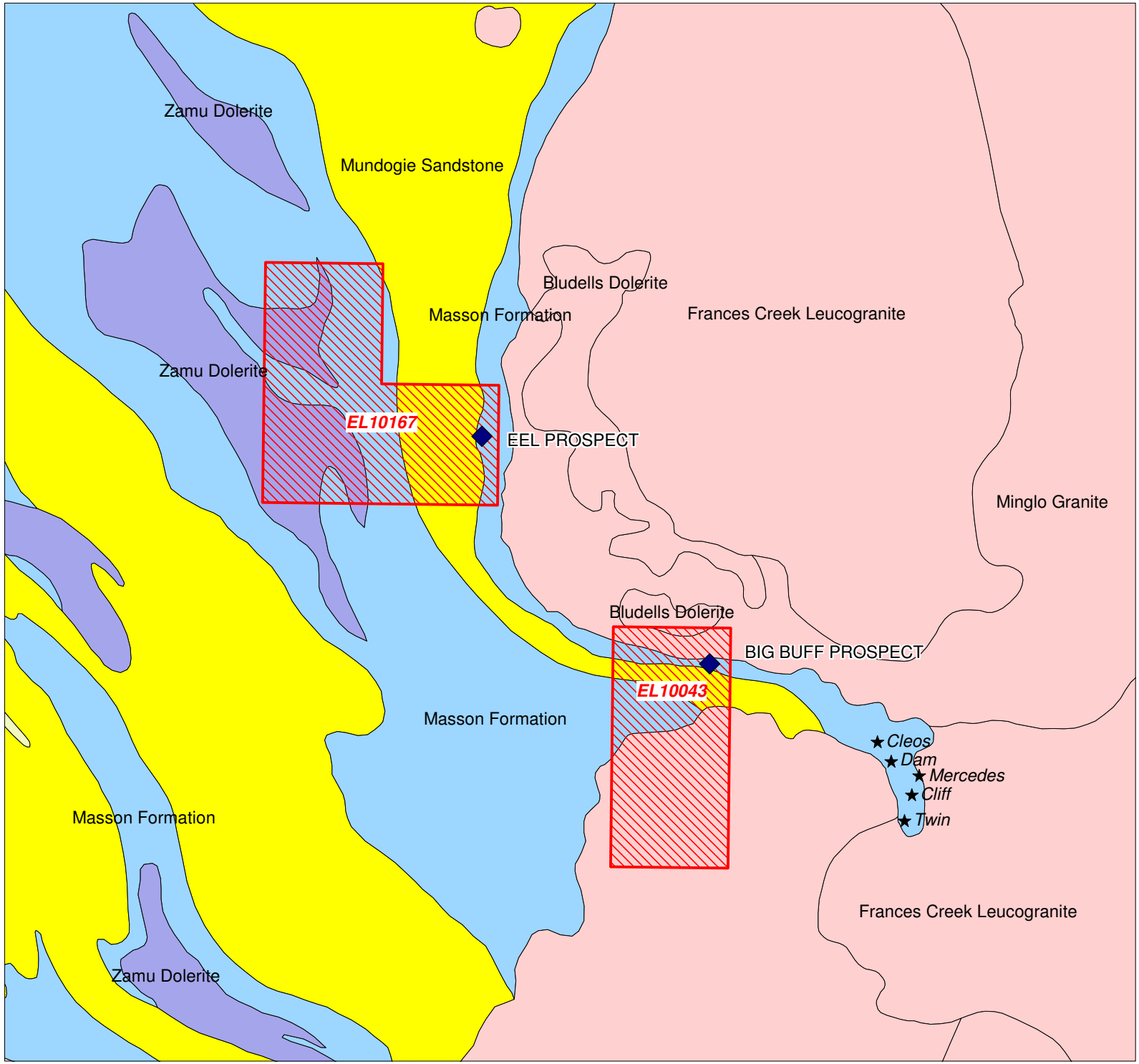
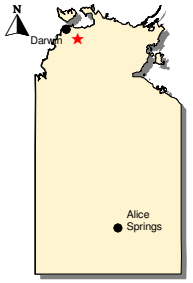


Figure 4 El 10167 Current Status of Tenement







★ Uranium Occurrence

Scale

2 0 2

Kilometers

THUNDELARRA

Figure 5 EL 10043,10167 Geological Interpretation (after NTGS)

Author: GH	Date: 15 December 2006
Drawn:	Revised:
Dwg No.:	Report No.:
Projection: MGA94 Zone 52	Scale: As Shown

Figure 6 EL 10167 Flying Fox Grid: Drill Sites and Geology

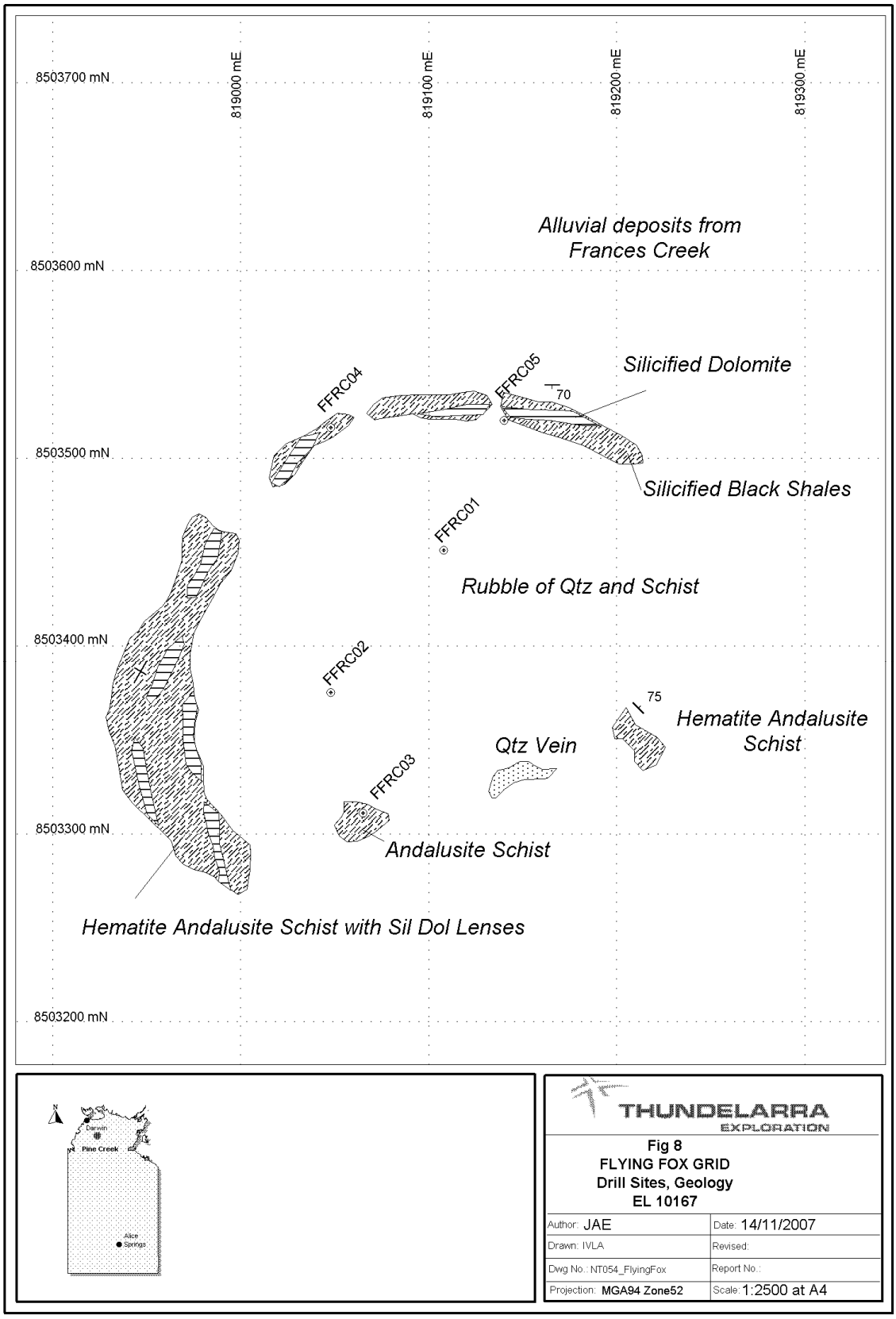


Figure 7 EL 10043: Big Buff Project: Image of Scintillometer Survey

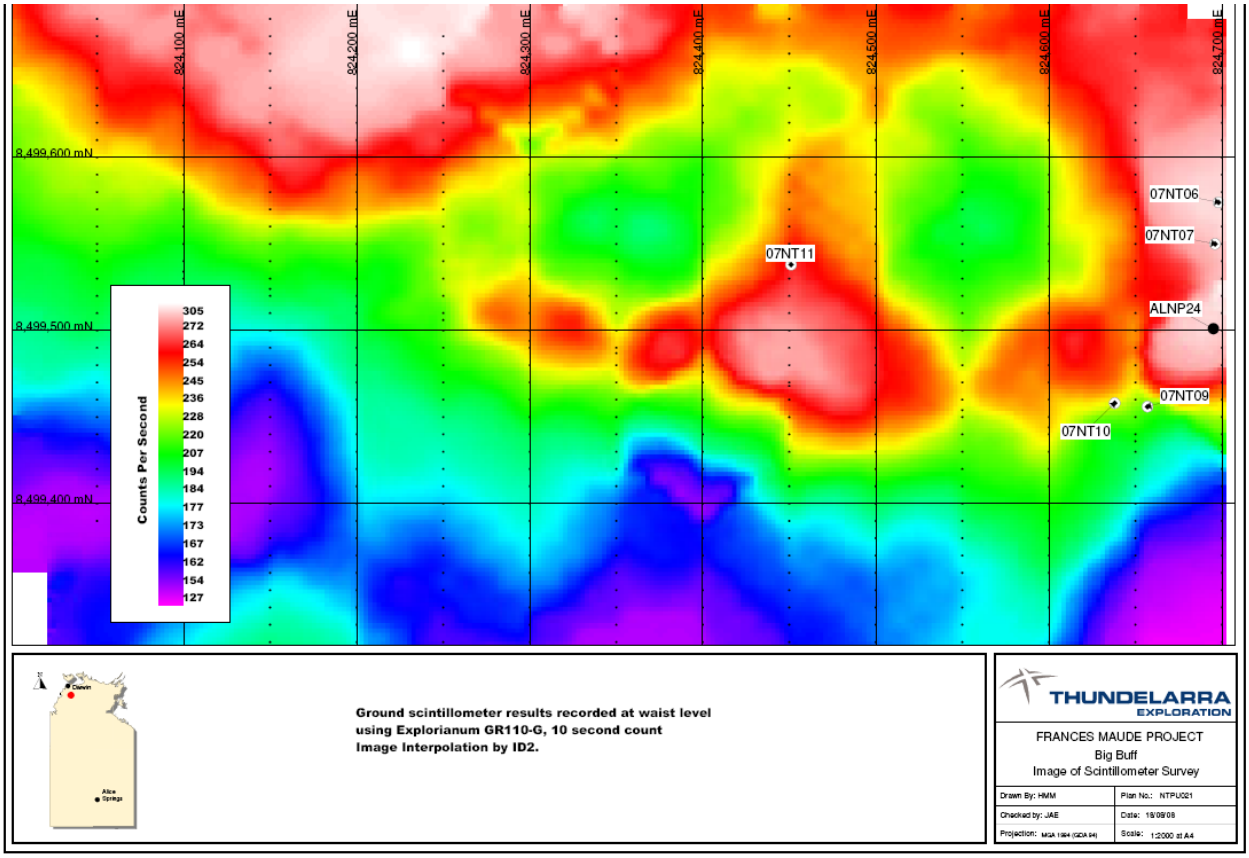
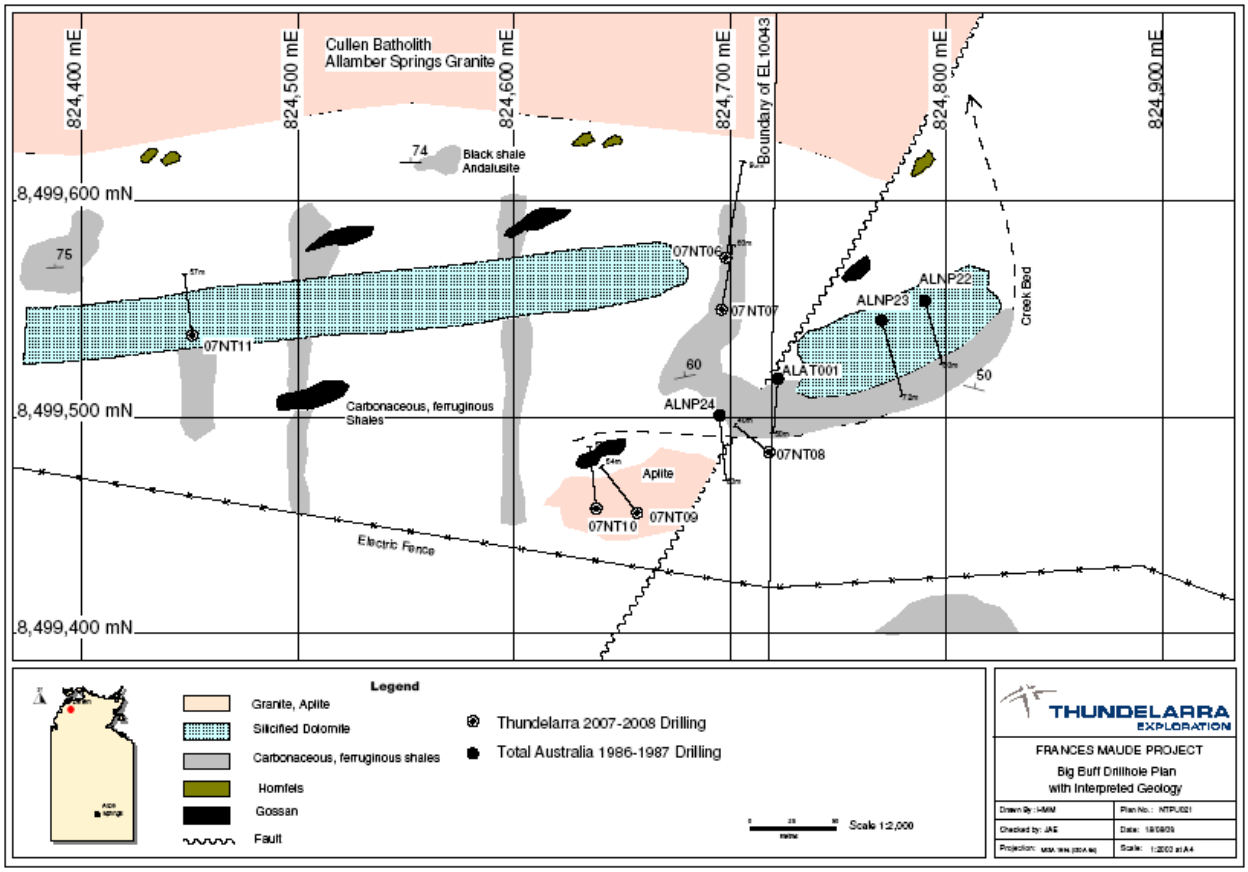
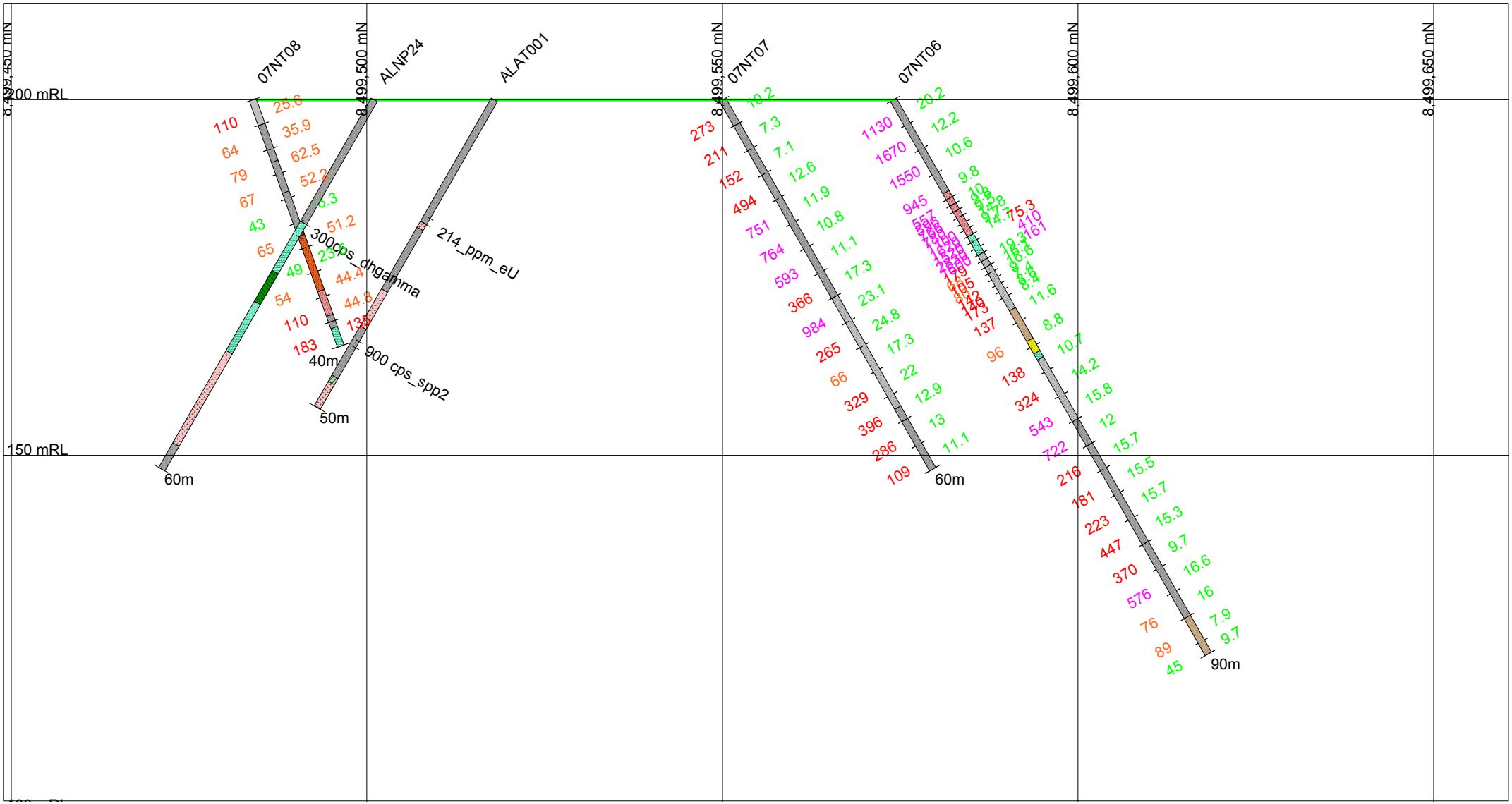
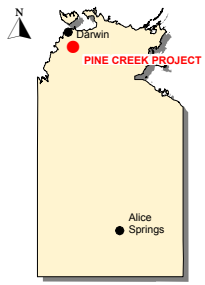


Figure 8 EL 10043: Big Buff Project: Drill Holes Plan with Interpreted Geology







Note: ALNP24 & ALAT001 drilled by Total Australia Ltd only have downhole radiometric logging available, no assays

0 5 10 20
metres

Scale 1:750

Lithology

Shale	Mafic Rock
Schist	Gouge
Gneiss	Quartz
Hornfels	Granite
Sandstone	Aplite
Chert	Saprolite
Dolomite	Gravel
Metasediment	Gossan

Ppm Pb (left of trace)

0 - 50
50 - 100
100 - 500
500 - 10000

Ppm U (right of trace)

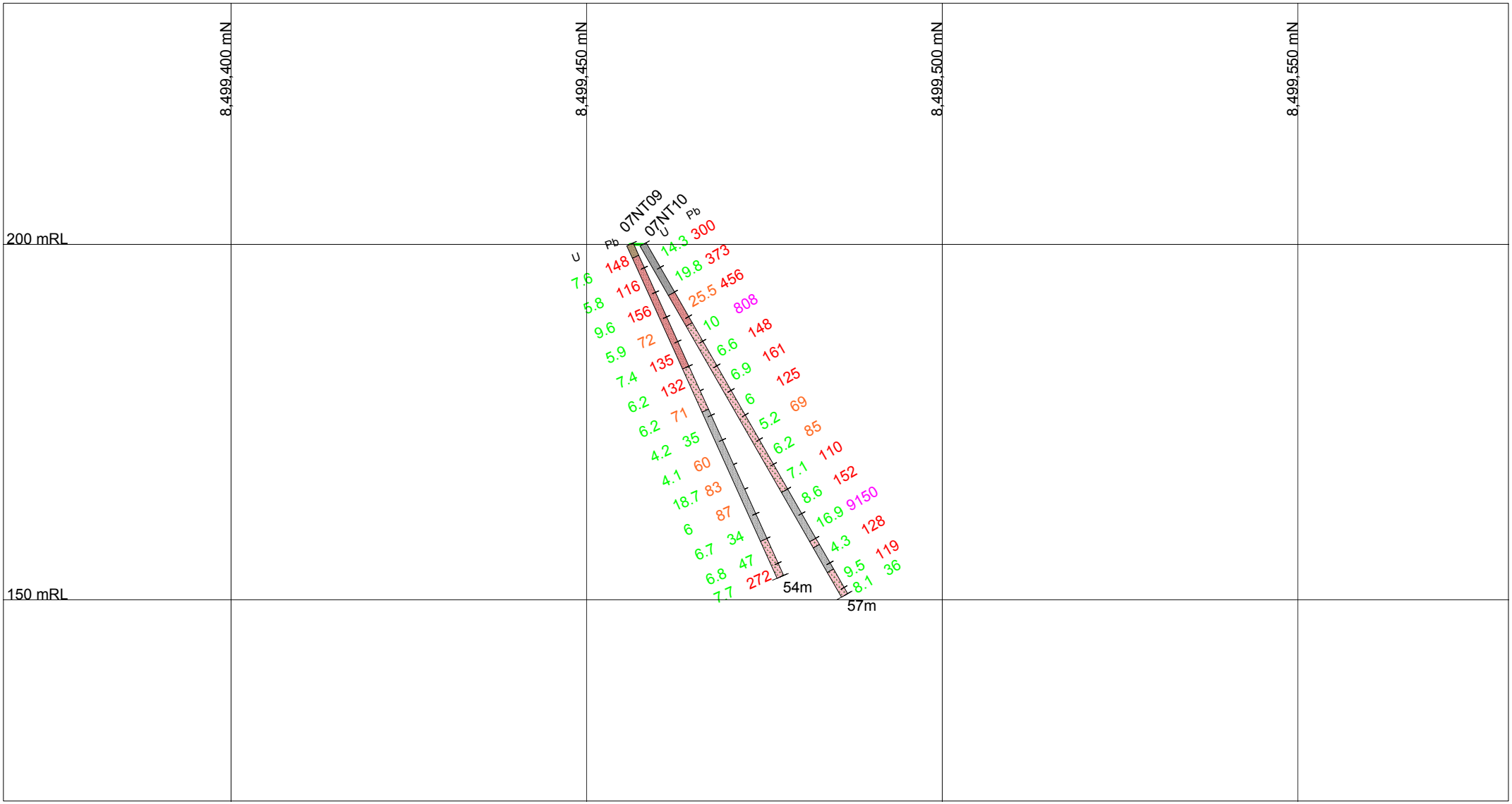
0 - 25
25 - 75
75 - 150
150 - 430

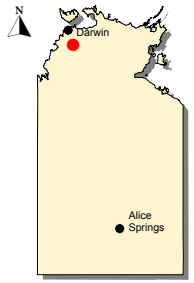
THUNDELARRA EXPLORATION

FRANCES MAUDE PROJECT

Big Buff Drillhole Section
824705mE

Drawn By: HMM	Plan No.: NTPU018
Checked by: JAE	Date: 18/08/08
Projection: MGA 1994 (GDA 94)	Scale: 1:750 at A4





0 5 10 20
metres

Scale 1:750

LITHOLOGY

Shale	Mafic Rock
Schist	Gouge
Gneiss	Quartz
Hornfels	Granite
Sandstone	Aplite
Chert	Saprolite
Dolomite	Gravel
Metasediment	Gossan

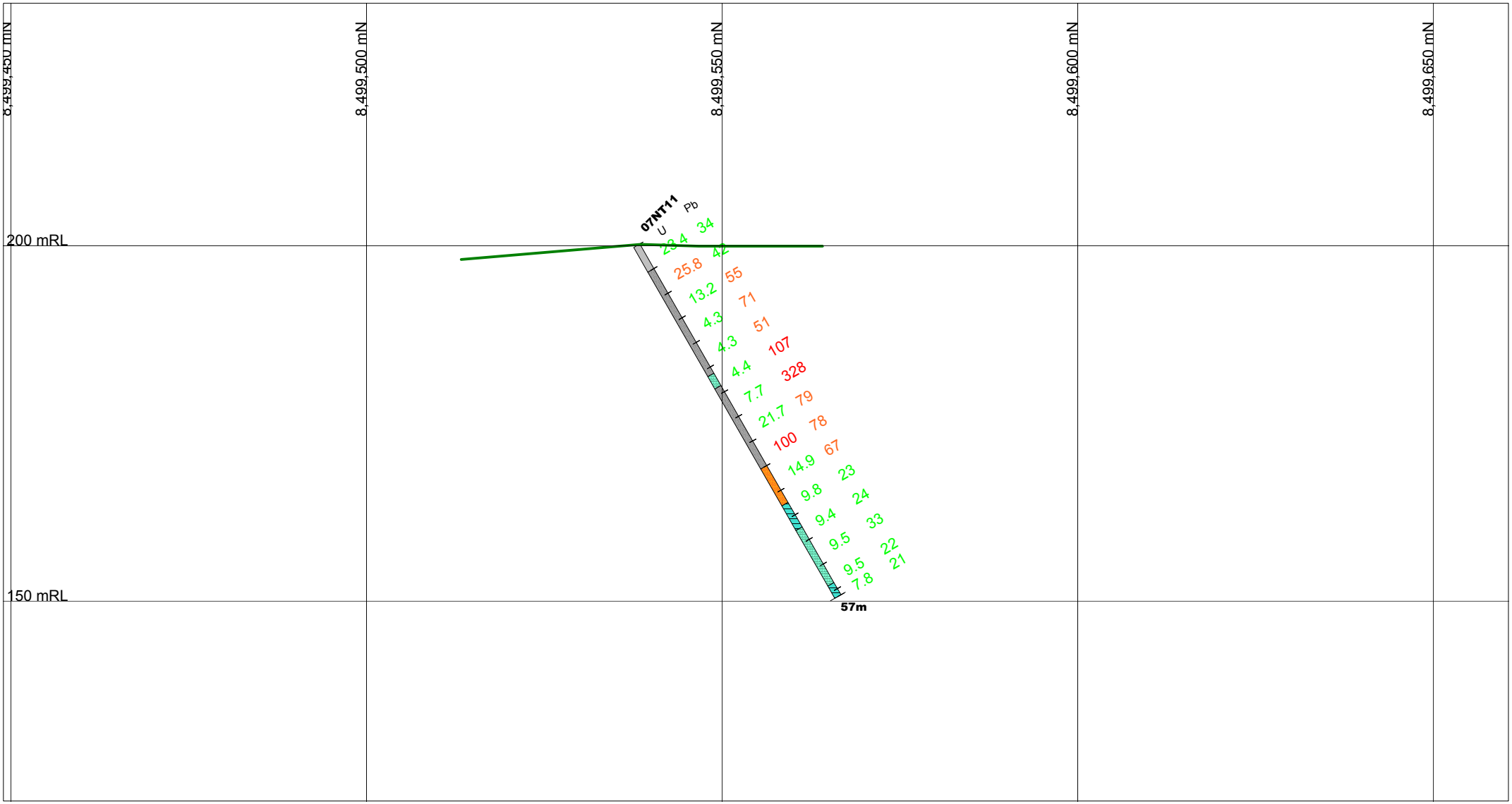
	ppm U (left)	ppm Pb (right)
	0 - 25	0 - 50
	25 - 75	50 - 100
	75 - 150	100 - 500
	150 - 430	500 - 10000

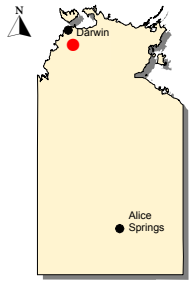
THUNDELARRA EXPLORATION

FRANCES MAUDE PROJECT

Big Buff Drillhole Section
824645mE

Drawn By: HMM	Plan No.: NTPU019
Checked by: JAE	Date: 18/08/08
Projection: MGA 1994 (GDA 94)	Scale: 1:750 at A4





0 5 10 20
metres

Scale 1:750

Lithology

Shale	Mafic		
Schist	Gouge		
Gneiss	Quartz		
Hornfels	Granite	ppm U (left)	ppm Pb (right)
Sandstone	Aplite	0 - 25	0 - 50
Chert	Saprolite	25 - 75	50 - 100
Dolomite	Gravel	75 - 150	100 - 500
Metased	Gossan	150 - 430	500 - 10000

THUNDELARRA EXPLORATION

FRANCES MAUDE PROJECT

Big Buff Drillhole Section
824450mE

Drawn By: HMM	Plan No.: NTPU020
Checked by: JAE	Date: 18/08/08
Projection: MGA 1994 (GDA 94)	Scale: 1:750 at A4

Appendix 1:

EL 10043 Big Buff Prospect Ground Radiometrics Readings

Appendix 2:

EL 10043 Big Buff Prospect Drill Logs 07NT06 to 07NT11

Appendix 3:

EL 10043 Big Buff Prospect Drill Chips Assay Results (NTEL)

Appendix 4:

Drill Hole Assay Statistics