Annual Report

FOR

Exploration License 23509

For the year ending 26/02/2009

Map Sheet 1:250,000 Pine Creek SD52-08

Title Holder: Biddlecombe Pty Ltd
Project Operator: Thundelarra Exploration Ltd

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March 2009

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Summary

Exploration for uranium mineralisation was carried out on EL23509. Previous work over the tenement area has been largely restricted to prospecting and ground geochemical surveys for gold, tin and base-metals. The EL contains a number of historical tin mines, known as Bells Tin Mines or Hayes creek Tin Mines. Uranium exploration on EL23509 commenced as a result of exploration work in an adjacent tenement and the identification of anomalies on EL23509 from publicly available airborne radiometric data.

Ground radiometric grids for a total of 29.8 line km at nominal 33m grid spacing were surveyed over two prospect areas, Mt Osborne and Thunderball Extended. Outcrop mapping at was carried out over the Thunderball Extended Grid. Uranium mineralisation was identified in a North trending fault at Thunderball Extended Prospect near the contact between Mt Bonnie Formation and Gerowie Tuff. Channel (12 samples) and rock-chip samples (1 sample) from Thunderball Extended Prospect assayed up to 6910ppm U. Mineralisation is fault or shear hosted and possibly associated with a now eroded unconformity. Further evaluation of the Thunderball Extended Prospect by Diamond Drilling is required.

1. Introduction

1.1 Project name and location

Exploration license EL23509 is located in the central eastern portion of the 1:250,000 Topography Sheet SD5208 Pine Creek. The EL lies 2.5km north-east of Hayes Creek Wayside Inn on the Stuart Highway. Access to the EL is off the Stuart Highway 2-3km east of Hayes Creek, along the old Hayes Creek Tin Mine Track or alternatively from the Grove Hill Road through Sandy Creek Mine. The NE part of the EL can be reached on foot from a track leading to a Radio Repeater Tower near Mount Osborne.

The EL is located within pastoral lease PL903 (Douglas Station).

1.2 Exploration License Details

EL23509 was granted on the 27th February 2003 to Biddlecombe Pty Ltd for a period of six years. The tenement was originally 83.75km^2 but has since been reduced to its present size of approximately 20km^2 or six graticules.

Thundelarra Exploration Ltd and Element 92 Pty Ltd (a subsidiary of Thundelarra) acquired an interest in the exploration license on 23 December 2008 by taking over an earlier option agreement struck between Biddlecombe Pty Ltd and Armada Exploration Pty Ltd.

On 5th February 2009 a renewal application was lodged with the Department for a two year extension of term.

1.3 Operator Details

EL 23509 has been held and operated by Thundelarra Exploration Ltd since 23 December 2008.

Prior to this date the tenement was operated by Armada Exploration Pty Ltd and Biddlecombe Pty Ltd.

Address and contact details for Thundelarra Exploration Ltd are:

Thundelarra Exploration Ltd
Level 3, IBM Building
1060 Hay Street, West Perth
Western Australia 6005

Telephone 61 8 9321 9680
Fax 61 8 9321 9670
admin@gemin.com.au

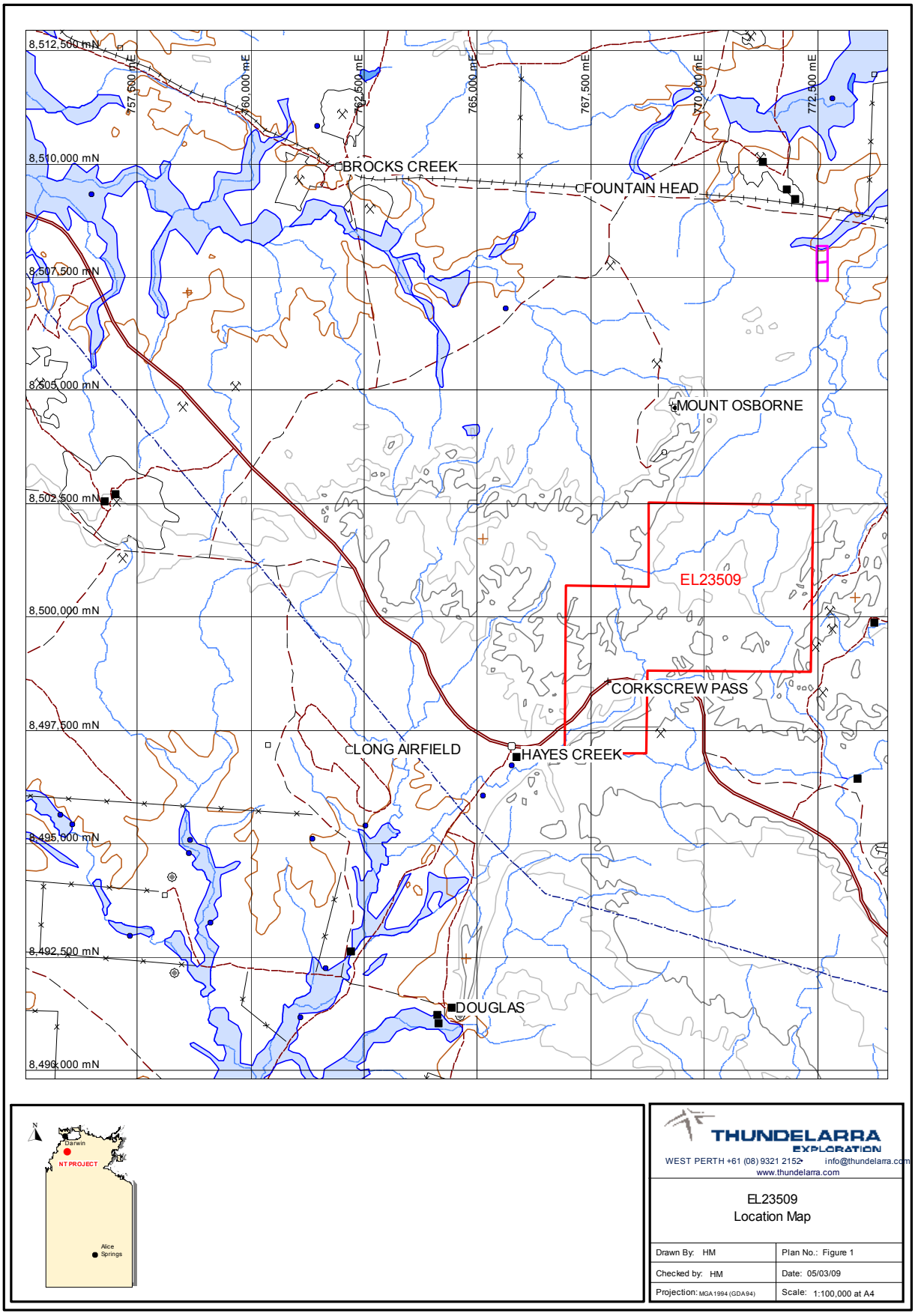

Figure 1. Location Map

2. Geology

EL23509 lies in the central portion of the Pine Creek Orogen. The Orogen consists of folded Early Proterozoic meta-sedimentary rocks on an interpreted granitic Archaean Basement. The Proterozoic rocks are tightly folded on NE trending axes and metamorphosed to greenschist-facies. They are intruded by pre-deformational basic igneous rocks of the Zamu Dolerite suite and syn- to post-deformational granites of the Cullen Suite.

The geology of EL 23509 is dominated by a series of parallel tight NNE plunging, west dipping anticlines developed in meta-sediments of the Burrel Creek Formation which have met-sediments of Mt Bonnie and Gerowie Tuff Formations at their cores. The sediments consist predominantly of carbonaceous shale and siltstones, siltstones, tuffaceous siltstones and greywacke, with minor chert horizons. Sills of Zamu dolerite are folded comformably with the sediments. A major regional fault zone, the Hayes Creek Fault, transects the south-eastern part of the EL.

3. Previous Exploration Activity

The area of EL23509 was previously explored for gold, tin and base-metals.

The Hayes Creek or Bells Tin Mine and a number of smaller prospecting workings are located on the tenement which indicates considerable historical prospecting effort.

Some 156t of tin concentrate were mined from the Hayes Creek Tim Mines from 1914-1934 and briefly in 1962. There is also substantial evidence for earlier prospecting for alluvial gold in the headwaters of Yam Creek by Chinese prospectors at the turn of the century.

A number of MCN's have been held over the area of EL23509, although no information on activities on many of these could be obtained from the Departments' Industry Report Management System. They seem to have been mainly concerned with alluvial gold and tin mining.

Recorded modern company exploration commenced in 1967 when Placer Prospecting carried out stream sediment surveys over part of the tenement in a search for basemetals.

From 1977-1980 and 1982-1985 Geopeko carried out extensive exploration activities over the El area. This included regional and prospect mapping, rock-chip sampling, soil sampling, photogeology and an airborne spectrometer-magnetometer survey. Target minerals were base-metals, tin and gold.

From 1976-1979 CRA carried out a soil sampling and mapping program over the area of the Bells Tin Mines in a quest for tin and basemetals.

Between 1985-1990 Oceania Exploration & Mining and Norgold carried out stream-sediment sampling, photogeology and rock-chip sampling.

During 1989 Trescabe Pty Ltd carried out an evaluation of the waste dumps of the Bells Tin Mines and determined an average grade of 0.28% Sn.

From 1990-1991 Magnum Gold carried out stream sediment and rock-chip sampling over part of the EL

Between 1990 and 1994 parts of the EL were held by prospectors who carried out loaming and alluvial sampling and minor rock chip sampling for gold. Small scale gold prospecting continues over the El to the present.

During 1994-1996 Solomon Pacific carried out BLEG stream sediment sampling, structural interpretations, geological mapping, soil and rock-chip sampling in a search for gold mineralisation.

During 1997-1998 Northern Gold carried out regional soil sampling programs over part of the EL in the search for gold.

More recently during 2007 Armada Exploration carried out a program of rock-chip sampling and scintillometer traverses over the current EL in a search for gold and uranium mineralisation.

None of the company exploration efforts have discovered economic mineralisation, although several small tin and gold occurrences were located.

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4. Target Commodities

Thundelarra is exploring EL23509 primarily for uranium mineralisation, but is also assessing the El for other commodities.

5. Exploration Methods

Thundelarra is assessing the EL as part of a package of contiguous EL's held either by Thundelarra and its associates or under joint-venture with GBS Gold Ltd.

Thundelarra's strategy has been to acquire and analyse all historical exploration work, carry out airborne geophysical surveys (EM), ground radiometric surveys and geological mapping and develop a field exploration program based on the results of the above.

Ground radiometric surveys involve walking a nominal (generally at 25-35m line spacing), GPS controlled grid with a handheld spectrometer which records Total Count Data at 1 second intervals and U, K and Th channel data at 30 second intervals. Grid areas are mapped at a nominal 1:1000 scale to provide the required geological data to assess the results from the radiometric surveys. Zones of anomalous radioactivity are followed by rock-chip sampling, pitting or trenching.

Geochemical assaying was carried out by NTEL Laboratories. The whole sample was crushed and ring-milled. Analysis was by total acid digest with an ICP-Mass Spectrometry finish. Samples were assayed for Ag(1), As(10), Bi(1), Co(1), Cu(5), Ni(5) Pb(2), Th(5), U(5), V(10) and Zn(10). Detection limits in ppm are given in brackets.

6. Work Carried out and Results

The EL was managed by Armada Exploration until late December 2008. It appears that no significant activities were carried out by Armada during 2008 although compilation of results and preparation of a consultant report were completed during the period.

Activities carried out by Thundelarra consist of a review of historical reports, ground radiometric surveys, geological mapping and rock-chip and channel sampling.

In April 2008 Thundelarra entered into an agreement with Geoscience Australia to infill the planned government wide-spaced airborne EM survey of the Pine Creek Orogen to 400m line spacing over part of EL23509. The survey has been delayed to early 2009.

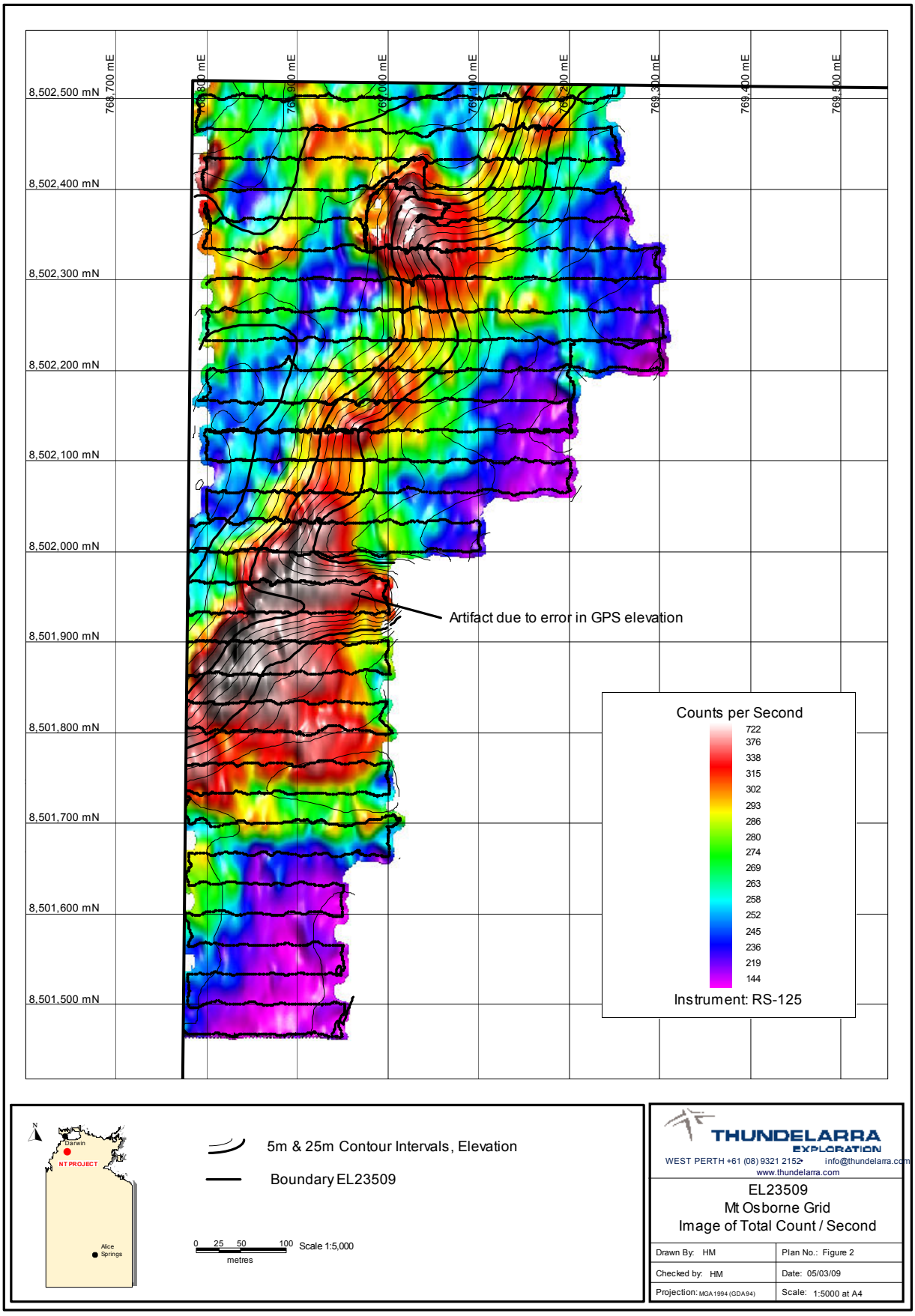
During 2008 Thundelarra located uranium mineralisation on EL23431 adjacent to EL23509 by following up an anomaly indicated by a publicly available airborne radiometric survey. Fieldwork on EL23431 and the airborne survey indicated that the zone of anomalous uranium mineralisation might extend into EL23509.

Subsequent to acquiring an interest in EL23509 Thundelarra carried out grid ground spectrometer surveys backed up by 1:1000 scale geological outcrop mapping. A total of 29.8 km of ground radiometrics was completed over EL23509 in two grid areas, at Thunderball Extended Prospect and Mt Osborne Prospect. Images or Total Counts per Second for the Thunderball Extended Grid and Mt Osborne Grid are presented in Figures 2 and 4. Preliminary geological fact mapping of the Thunderball Extended Grid is presented in Figure 5. Geological mapping of the grid is incomplete; mapping has had to be delayed until later in the dry season as the new season's grasses obscure outcrop.

As a result of the field-work a 50m long zone of highly anomalous radioactivity was located at Thunderball Extended Prospect within a more extensive anomalous stratigraphic interval. The radioactivity appears to be hosted by a north trending, steeply west dipping fault near the contact between the Mt Bonnie Formation and Gerowie Tuff. Abundant secondary uranium minerals and chloritic alteration were observed in and adjacent to the fault. Two lines of channel samples were cut across this structure. Channel sample assay results were highly encouraging, with assay values of up to 2490ppm U over a 0.65m interval obtained from the fault-zone. Host-rocks to the mineralisation are carbonaceous mudstones and what appear to be altered tuffaceous rocks of the Upper Gerowie Tuff or Lower Mt Bonnie Formation.

A single rock-chip sample collected further along strike of the structure assayed 6910ppm U provided further confirmation of the economic potential of the mineralisation discovered.

Assay results and locations are presented in Figure 6 and Appendix I.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302
293
286
280
274
269
263
258
252
245
236
219
144
Instrument: RS-125
Darwin
NT PROJECT
Alice Springs
5m & 25m Contour Intervals, Elevation
Boundary EL23509
0 25 50 100 Scale 1:5,000
metres
THUNDELARRA EXPLORATION
WEST PERTH +61 (08) 9321 2152 info@thundelarra.com
www.thundelarra.com
EL23509
Mt Osborne Grid
Image of Total Count / Second
Drawn By: HM
Plan No.: Figure 2
Checked by: HM
Date: 05/03/09
Projection: MGA1994 (GDA94)
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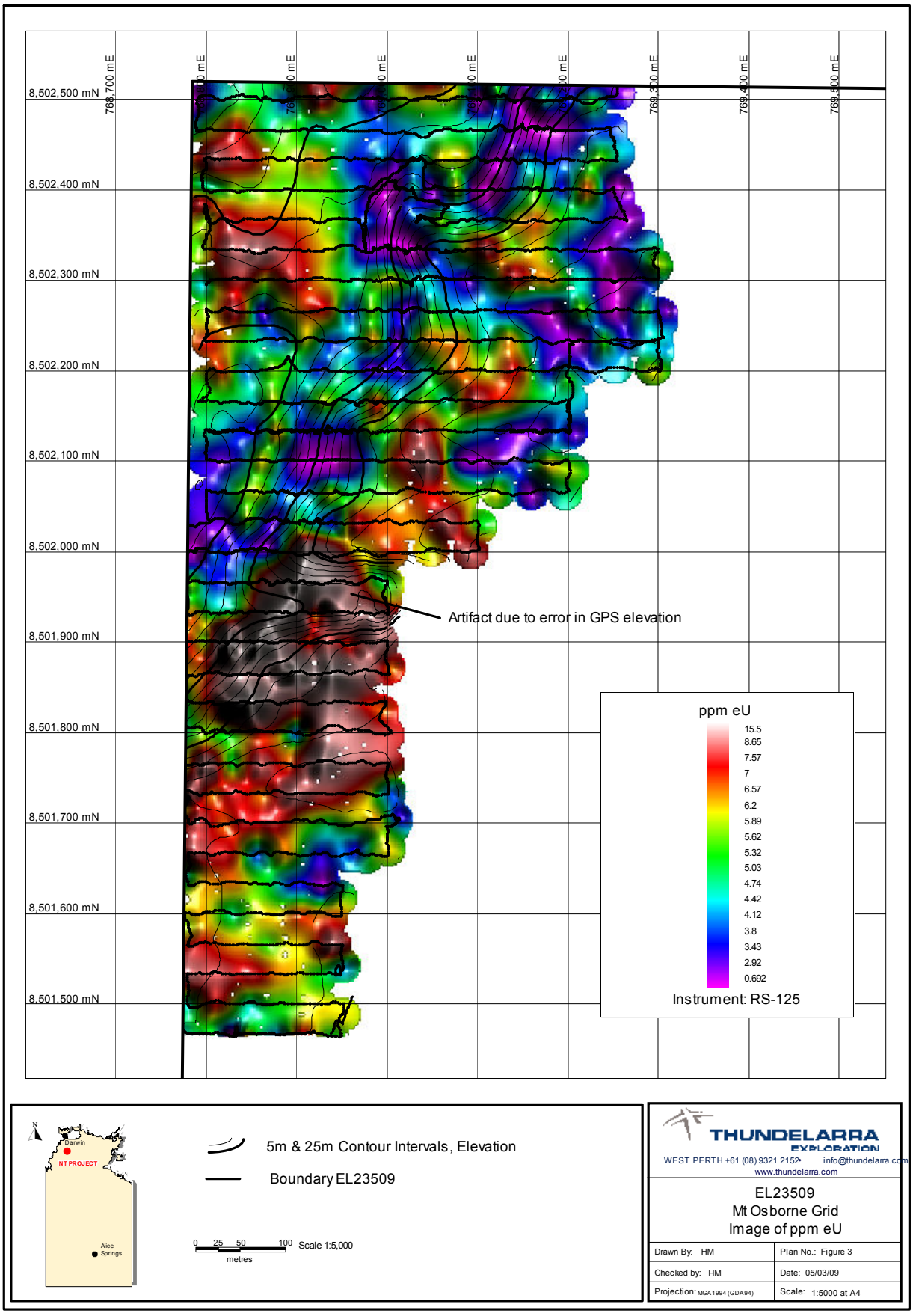
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8,502,100 mN
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8.65
7.57
7
6.57
6.2
5.89
5.62
5.32
5.03
4.74
4.42
4.12
3.8
3.43
2.92
0.692
Instrument: RS-125
N
Darwin
NT PROJECT
Alice Springs
5m & 25m Contour Intervals, Elevation
Boundary EL23509
0 25 50 100
metres
Scale 1:5,000
THUNDELARRA EXPLORATION
WEST PERTH +61 (08) 9321 2152
info@thundelarra.com
www.thundelarra.com
EL23509
Mt Osborne Grid
Image of ppm eU
Drawn By: HM
Plan No.: Figure 3
Checked by: HM
Date: 05/03/09
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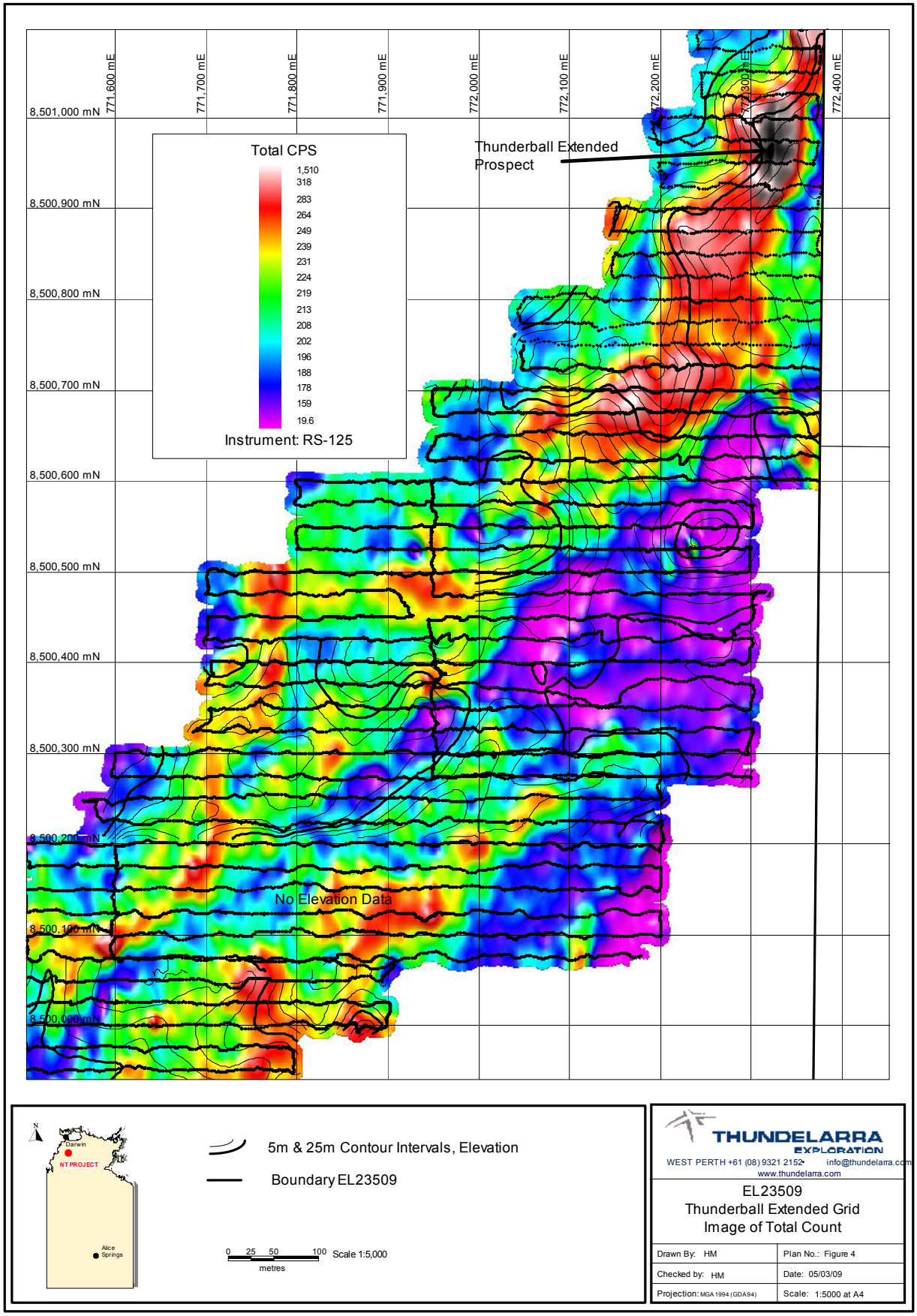
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771,700 mE
771,800 mE
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8,501,000 mN
8,500,900 mN
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8,500,700 mN
8,500,600 mN
8,500,500 mN
8,500,400 mN
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8,500,200 mN
8,500,100 mN
8,500,000 mN
Total CPS
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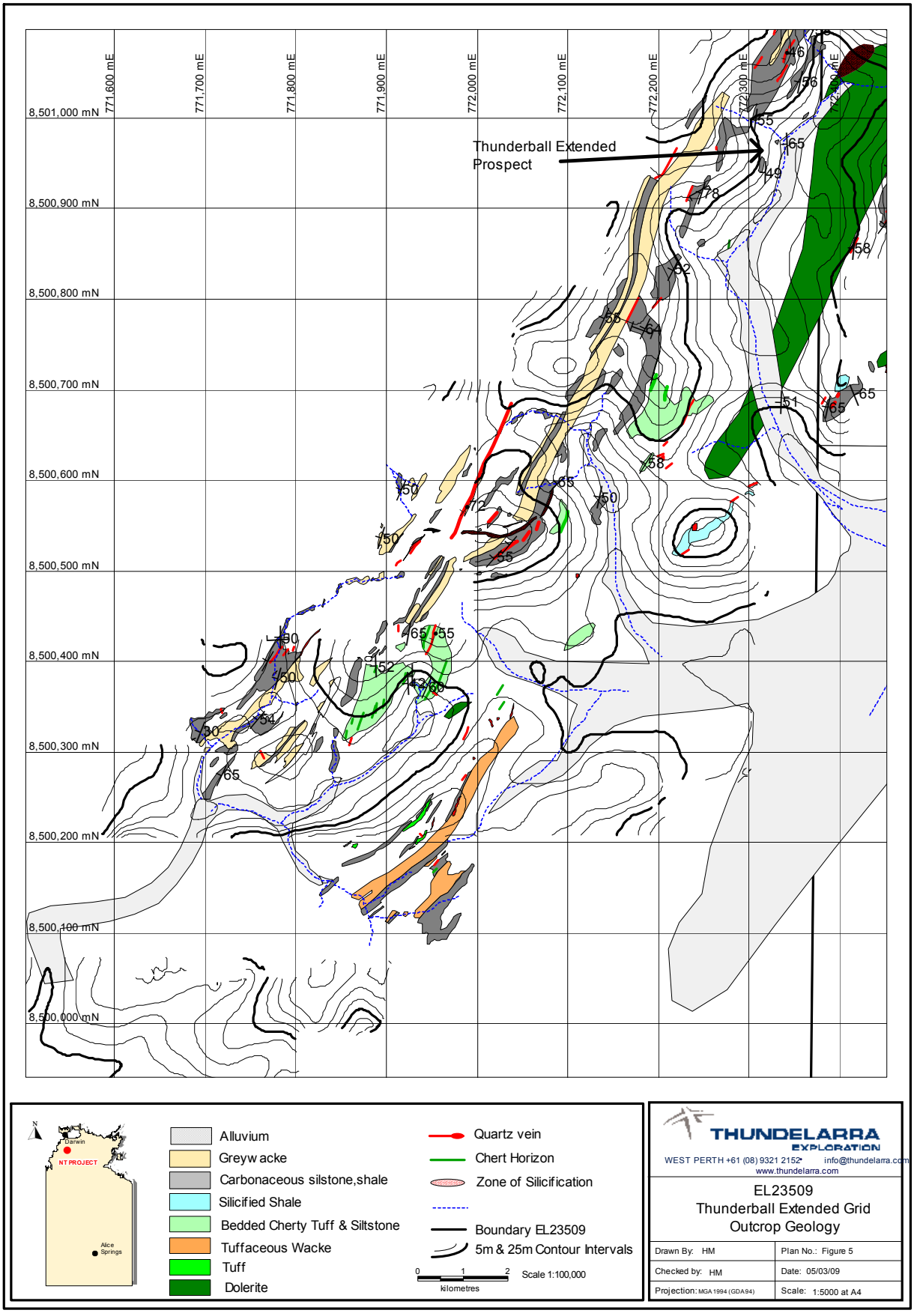
318
283
264
249
239
231
224
219
213
208
202
196
188
178
159
19.6
Instrument: RS-125
Thunderball Extended Prospect
No Elevation Data
Darwin
NT PROJECT
Alice Springs
5m & 25m Contour Intervals, Elevation
Boundary EL23509
0 25 50 100 Scale 1:5,000
metres
THUNDELARRA EXPLORATION
WEST PERTH +61 (08) 9321 2152 info@thundelarra.com
www.thundelarra.com
EL23509
Thunderball Extended Grid
Image of Total Count
Drawn By: HM
Plan No.: Figure 4
Checked by: HM
Date: 05/03/09
Projection: MGA-1994 (GDA94)
Scale: 1:5000 at A4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8,500,300 mN
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8,500,100 mN
8,500,000 mN
Thunderball Extended Prospect
Darwin
NT PROJECT
Alice Springs
Alluvium
Greywacke
Carbonaceous silstone,shale
Silicified Shale
Bedded Cherty Tuff & Siltstone
Tuffaceous Wacke
Tuff
Dolerite
Quartz vein
Chert Horizon
Zone of Silicification
Boundary EL23509
5m & 25m Contour Intervals
0 1 2
kilometres
Scale 1:100,000
THUNDELARRA EXPLORATION
WEST PERTH +61 (08) 9321 2152 info@thundelarra.com
www.thundelarra.com
EL23509
Thunderball Extended Grid
Outcrop Geology
Drawn By: HM
Plan No.: Figure 5
Checked by: HM
Date: 05/03/09
Projection: MGA 1994 (GDA94)
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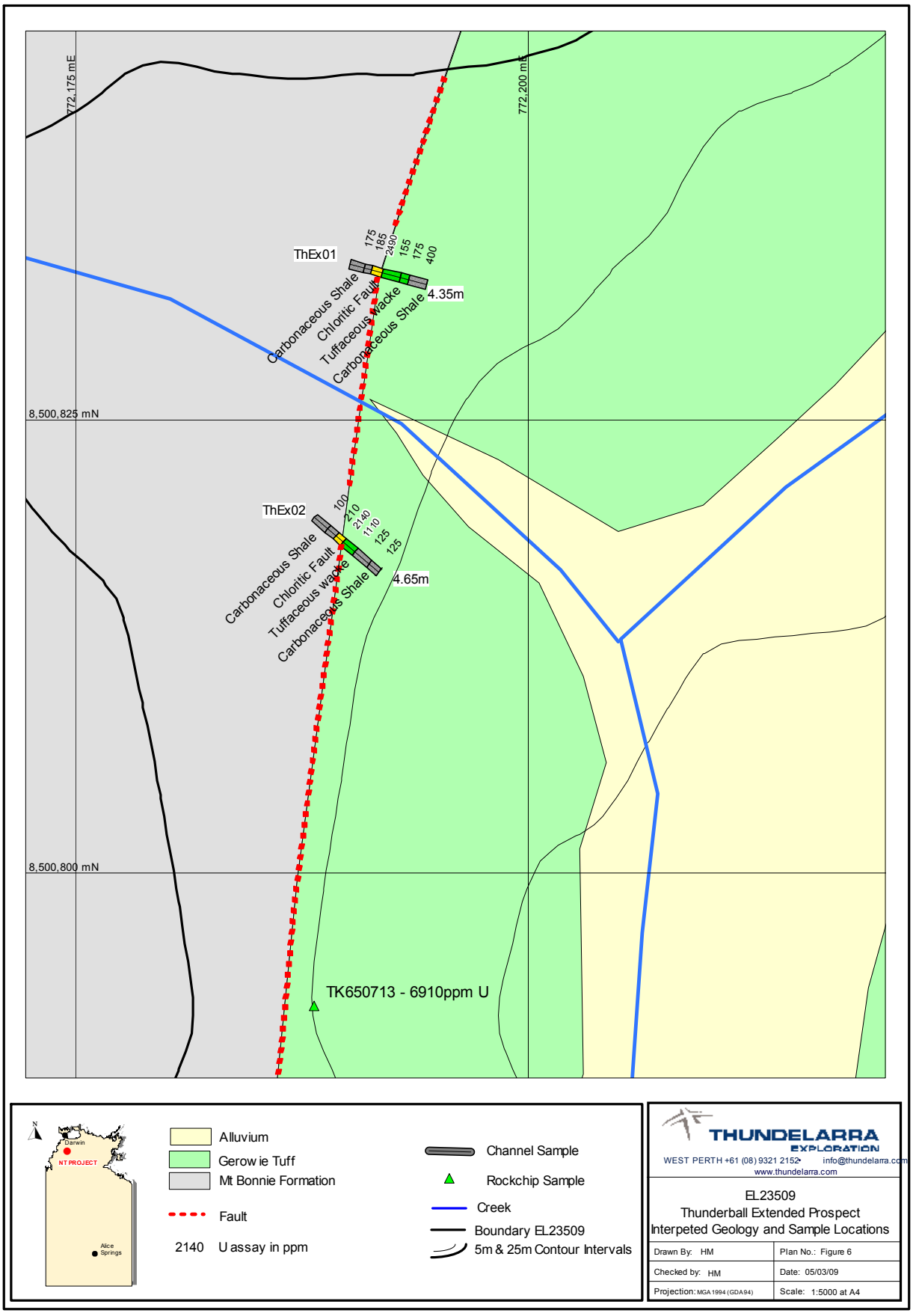
772,175 mE
772,200 mE
8,500,825 mN
8,500,800 mN
ThEx01
175
185
2490
155
175
400
Carbonaceous Shale
Chloritic Fault
Tuffaceous Wacke
Carbonaceous Shale
4.35m
ThEx02
100
210
2140
1110
125
125
Carbonaceous Shale
Chloritic Fault
Tuffaceous wacke
Carbonaceous Shale
4.65m
TK650713 - 6910ppm U
Darwin
NT PROJECT
Alice Springs
Alluvium
Gerowie Tuff
Mt Bonnie Formation
Fault
2140 U assay in ppm
Channel Sample
Rockchip Sample
Creek
Boundary EL23509
5m & 25m Contour Intervals
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EL23509
Thunderball Extended Prospect
Interpeted Geology and Sample Locations
Drawn By: HM
Plan No.: Figure 6
Checked by: HM
Date: 05/03/09
Projection: MGA 1994 (GDA94)
Scale: 1:5000 at A4

7. Environment

No ground disturbing activities were conducted by Thundelarra. Channel sampling has resulted in the exposure of some strongly radioactive material; however natural radioactivity in this localised area is extremely high due to the presence of outcropping uranium mineralisation, and the sampling has not materially added to this high background.

8. Conclusions

Significant uranium mineralisation has been identified on EL23509 at Thunderball Extended which requires substantial further evaluation work, including diamond drilling. The nature and extent of the mineralised structure is not clear; it appears to be similar to mineralisation intersected at Thunderball 500m to the NE. The structure may be a splay associated with the Hayes Creek Fault, and it is possible that mineralisation is unconformity related, although the postulated unconformity has been eroded away from this area.

9. Expenditure statement

A total of $34,415.42 was spent on EL23509 by Thundelarra Exploration Ltd from 23rd December to 26th February.

It appears little was spent by Armada Exploration during the remainder of the year. It is estimated that Armada may have spent $3000-$5000 on compilation of results and report preparation.

Expenditure is thus somewhat below the covenant of $52,000 entered into by Armada. It should be pointed out that Thundelarra's expenditure is high considering the short amount of time available to Thundelarra for fieldwork during what was the peak of the wet season, which provides evidence of Thundelarra's commitment to exploration of the EL.

A full expenditure report on the prescribed form is given in Appendix I.

10. Program and Budget

During the 2009 field-season Thundelarra will compete the geological mapping and ground radiometric surveys over EL23509. Comprehensive literature review and compilation of historical data will be undertaken. It is expected that the long delayed Airborne EM survey will take place during 2009.

Diamond drilling will be carried out at Thunderball Extended.

The provisional budget for EL23509 for the second year of tenure is as follows:

Wages:	$10,000
Vehicle:	$4000
Assaying:	$5000
Diamond Drilling:	$40,000
Trenching:	$5000
Geophysical Surveys:	$10,000
Administrative Costs:	$1000
Total Budget	$75,000

This budget is a minimum budget for the year; it is likely that actual expenditure will be substantially more.

APPENDIX II

Assay Results

Sample Intervals and Locations (all coordinates in MGA Zone 52)

Channel_No	Sample_No	m_From	m_To	Description
ThEx01	TK650701	0.00	0.80	Weathered carbonaceous shale, saprolitic ,soil properties
ThEx01	TK650702	0.80	1.20	Fractured moderately hard carbonaceous shale, hematitic tuff interbed
ThEx01	TK650703	1.20	1.85	25cm chloritic shear with green and yellow U minerals, remainder weathered tuff saprock. Strongly radioactive.
ThEx01	TK650704	1.85	2.85	Pale green-grey blocky tuff. Hard, massive.
ThEx01	TK650705	2.85	3.35	As above, but weathered, saprolitic, soft.
ThEx01	TK650706	3.35	4.35	Strongly weathered carbonaceous shale, saprolitic clays, soil properties
ThEx02	TK650707	0.00	0.95	Strongly weathered carbonaceous shale, saprolitic, soil properties
ThEx02	TK650708	0.95	1.55	Variably oxidised, sheared carb.shale, minor iron oxides.
ThEx02	TK650709	1.55	2.10	Chloritic shearzone, yellow U minerals, strongly radioactive.
ThEx02	TK650710	2.10	2.95	Hematitic & partly silicified tuff, bright green U minerals along flat lying joints
ThEx02	TK650711	2.95	3.95	Carbonaceous shale, variably weathered
ThEx02	TK650712	3.95	4.65	Highly weathered carbonaceous shale, saprolite clay with soil properties
		East_MGA	North_MGA	
Rockchip	TK650713	772321	850095	Rockchip; Carbonaceous shale, gossanous quartz vein, abundant green U secondaries within gossan

Origin of Channel Samples

Ch_No	East_MGA	North_MGA	Elevation	Bearing	Dip	Depth
ThEx01	772323	8500995	183	105	0	4.35
ThEx02	772321	8500981	183	130	0	4.65

Assay Results (NT Environmental Laboratory)

IDENT	Job number	Ag	As	Bi	Co	Cu	Ni	Pb	Th	U	V	Zn
UNITS		ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm
SCHEME		G422M	G422M	G422M	G422M	G422M	G422M	G422M	G422M	G422M	G422M	G422M
TK650701	EL13545	<1	250	392	65	325	1260	104	23	175	40	10
TK650702	EL13545	<1	360	82	27	185	370	268	27	185	30	20
TK650703	EL13545	1	1730	1660	35	600	180	2890	42	2490	90	30
TK650704	EL13545	<1	180	83	20	90	85	160	36	155	20	20
TK650705	EL13545	<1	200	336	22	200	95	228	30	175	20	20
TK650706	EL13545	<1	450	352	7	190	90	232	36	400	30	<10
TK650707	EL13545	<1	280	66	5	95	35	160	26	100	30	10
TK650708	EL13545	<1	300	170	12	165	65	314	30	210	30	10
TK650709	EL13545	1	2160	4080	48	660	365	4120	44	2140	80	30
TK650710	EL13545	<1	490	655	14	275	145	454	30	1110	20	<10
TK650711	EL13545	<1	140	175	3	85	50	118	32	125	20	10
TK650712	EL13545	<1	160	296	6	125	55	174	33	125	30	10
TK650713	EL13545	6	5240	1080	89	1280	440	286	37	6910	120	20