Annual Report

FOR

Mineral Claim Numbers 4902, 4903, 4904, 4905, 4907, 5193, 5194, 5195, 5196, 5197, 5198, 5199, 5200
“Priscilla Line”
For the year ending 7/08/2010

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

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Appendix I

Expenditure reports
Summary

Thundelarra Exploration has recently commenced uranium exploration on the Priscilla Line MCN’s as the structural and lithological setting appears very similar to that hosting vein style uranium mineralisation at Thunderball prospect to the South of the MCN’s. Uranium exploration during this period had been restricted to an airborne radiometric-magnetic survey, minor geological traversing and regional mapping.

Alluvial gold mining is taking place on the MCN’s under an agreement between the tenement holder Mr Biddlecombe and Mr Dale Page. A substantial amount of bulk sampling of alluvium was carried out as part of this mining operation. Mr Biddlecombe also runs his own separate small scale alluvial plant to bulk sample alluvial material.
1. Introduction

1.1 Project name and location

The group of MCN’s 4902, 4903, 4904, 4905, 4907, 5193, 5194, 5195, 5196, 5197, 5198, 5199 and 5200 known as the “Priscilla Line MCN’s” is located on the central part of the 1:250,000 Sheet SD5208 Pine Creek, centred on the Grove Hill Road. Most of the Mineral Claims are contiguous, apart from MCN4902 and MCN4903 which lie several km to the NW of the main grouping.

The MCN’s cover part of pastoral lease PL903 (Douglas Station).

1.2 Mineral Claim Details

The group of MCN’s were granted between 3/8/1995 and 31/7/2008 to Robert Michael Biddlecombe and Buffalo Creek Mines Pty Ltd & Territory Goldfields Pty Ltd. Buffalo Creek Mines Pty Ltd and Territory Goldfields Pty Ltd hold a 20% in the MCN’s. These companies are subsidiaries of Crocodile Gold Mines.

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On the 23rd December 2008 Element 92 Pty Ltd assumed the rights and obligations of an option agreement to purchase the 80% interest in these tenements held by R.M.Biddlecombe which was struck on 10th April 2007 between Biddlecombe Pty Ltd and Armada Exploration Pty Ltd. Under the terms of this agreement Thundelarra Exploration Ltd/ Element 92 Pty Ltd have the right to explore the MCN’s.

1.3 Operator Details

The operator for hard rock mineral exploration on the MCN’s is Thundelarra Exploration Ltd.
Address and contact details for Thundelarra and wholly owned subsidiary Element 92 Pty 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

Alluvial gold mining and exploration is being carried out on MCN’s 5196 and 5199 by Mr Dale Page under a separate authorisation. Thundelarra Exploration Ltd is not in any way associated with these activities.
2. Geology

The Priscilla Line lies in the central portion of the Pine Creek Orogen. The orogen consists of Early Proterozoic meta-sedimentary rocks on an interpreted granitic Archean Basement. The Proterozoic rocks are tightly folded on NE trending axes and metamorphosed to greenschist facies. The meta-sedimentary rocks are intruded by pre-deformational basic igneous rocks and post-deformational granites.

The MCN’s lie over an area of tightly folded meta-sedimentary rocks assigned to the Mt Bonnie and Gerowie Tuff Formations of the South Alligator Group and the Burrell Creek Formation of the Finnis River Group. The MCN’s covers the northern extent (the north plunging Yam Creek Anticline) of a doubly plunging antiform known as the Golden Dyke Dome. The major regional Hayes Creek Fault cuts the antiform at a NNE angle in the southern MCN’s. Uranium mineralisation may be associated with splays off the Hayes Creek fault.

The MCN’s covers a number of gold workings known as the Priscilla Line. The gold mineralisation is generally confined to lines of reef within greywacke units of the Mt Bonnie Formation in close proximity to the anticline crest. Eluvial-alluvial gold is being mined from a number of small shallow channels draining low ridges containing primary reef gold mineralisation.

3. Previous Exploration Activity

The MCN’s forms part of the historical Yam Creek Goldfield where gold was first discovered in 1870. The area of the MCN’s would have been subjected to intensive historical prospecting. Several hard rock gold and alluvial/eluvial occurrences were mined on the MCN’s between 1872 and 1910.

Modern company exploration appears to have commenced in the late 1970’s with regional assessments for base-metals by Geopeko and others. The modern phase of gold exploration appears to have commenced in 1988 with percussion drilling near Port Darwin Camp by Geonorth. A total of 20 holes were drilled within the area of the MCN’s. The best reported intercept was 3m @1.16 ppm Au.

Subsequent to this Dominion Gold Ltd explored the area of the EL between 1993 1996. Work carried out included soil sampling, vacuum drilling, geophysical interpretation and RC drilling.

Following this Northern Gold obtained an interest in the area. Northern Gold explored the EL between 1996-and 1997. Northern Gold carried out a Mobile Metal Ion soil sampling programme and drilled 8 RC holes in the area of the MCN’s.

Small scale prospecting and alluvial/eluvial mining of gold has been intermittently carried out over the MCN’s by Mr R.M.Biddlecombe and associates from at least the early 1990’s to the present.
4. Target Commodities

Thundelarra is exploring the Priscilla MCN’s primarily for uranium, base-metal and hard rock gold mineralisation. Mr Biddlecombe and associates are exploring the MCN’s for alluvial and eluvial gold deposits.

5. Exploration Methods

Thundelarra’s exploration efforts have included a compilation and review of historical data and regional geological traverses, a high-resolution airborne radiometric-magnetic survey and regional geological interpretive mapping.

Mr Biddlecombe is exploring the MCN’s for alluvial gold deposits by processing bulk samples of alluvial material through a test plant.

Mr Dale Page is conducting bulk sampling of alluvial and elluvial gold deposits as part of his mining operation on MCN5199 and MCN5196. This is done by stripping overburden and mining the exposed mineralised wash by excavator. Metal detectors are used to locate very coarse gold in the exposed pit floor. Wash material is then trucked to a nearby alluvial plant, where it passes through several screens and gold is ultimately recovered from a Knelson concentrator.

Mr Biddlecombe has conducted bulk sampling operations of gold bearing alluvial material using a small alluvial test plant on MCN5195 and MCN5196.

6. Work Carried out and Results

Thundelarra’s activities have thus far been restricted to an airborne radiometric-magnetic survey (the “Hayes Creek Survey”) which covered all the MCN’s, and regional interpretive geological mapping. This work has been previously reported against the underlying EL10120. Minor reconnaissance mapping and ground radiometric traversing was carried out over a portion of MCN4907. A small radiometric anomaly was identified in a favourable structural setting on the far south-west corner of MCN4907.

Precise results from the bulk sampling work at Mr Page’s and Mr Biddlecombe’s alluvial operation have not been made available to Thundelarra; suffice to say that the bulk sampling is an integral part of the mining operation which is still continuing. Mr Page states that much of the gold recovered is coarse grained, and the bulk of the gold is recovered from a half metre thick wash layer directly overlying bedrock. Several other less well developed gold bearing horizons have been identified above this, but none appear to be payable. Production volumes and quantities of gold recovered for the alluvial mining operation are no doubt given in quarterly production returns submitted to the department; the gold recovered from the bulk sampling program makes up part of this.
7. Conclusions

Historical exploration work has defined strongly anomalous Au geochemistry on the MCN’s. Previous drilling has been limited but has intercepted narrow widths of moderate grade mineralisation which require further assessment. The operating alluvial gold mine on the leases provides further evidence of the presence of significant gold mineralisation.

No previous exploration for uranium had taken place on the area of the MCN’s. The area lies along trend and contains the same stratigraphic package as hosts Thundelarra’s Thunderball Prospect to the South West, and is cut by the Hayes Creek Fault. These factors indicate prospectivity for vein style uranium mineralisation similar to that identified at the Thunderball Prospect to the south-west. A radiometric anomaly/structural target identified on the South western corner of MCN4907 is of particular interest and will be drill tested early in the next reporting period.

8. Program

During the next period Thundelarra will carry out RC drilling for uranium mineralisation on MCN4907. Some drilling for gold mineralisation may be carried out over some of the other MCN’s.

Both Mr Biddlecombe and Mr Page intend to continue their assessment of the alluvial gold deposits.
APPENDIX I

Expenditure Reports