Annual Report

FOR

Exploration License 25120
“Kulbac”
For the year ending
18/09/2010

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

Harold Mees
Geologist,
Thundelarra Exploration Ltd
harry.mees@gemin.com.au
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Figure 2. Sample Locations and U Channel Radiometric Image

Appendix I

EL 25120 Expenditure Report (separate attachment)
Summary

Exploration for gold base-metal and uranium mineralisation was carried out on EL25120. The EL has been previously explored for gold. Historical soil sampling has defined weak gold and base-metal anomalism along the eastern margin of the EL.

Work completed by Thundelarra has consisted of a high-resolution airborne radiometric-magnetic survey of 212 line km and the compilation of a 1:25,000 geological interpretation map. A total of 2 rock-chip samples were collected during the period.
1. Introduction

1.1 Project name and location

Exploration license EL25120 “Kulbac” is located on the central part of the 1:250,000 Sheet SD5208 Pine Creek, centred east of the Grove Hill Road. The EL covers part of the headwaters of the Margaret River.

The EL covers part of pastoral lease PL903 (Douglas Station).

1.2 Exploration License Details

EL 25120 was granted on 19/09/2006 to Myron Kulbac and Robert Michael Biddlecombe for a period of six years.

On the 23rd December 2008 Element 92 Pty Ltd assumed the rights and obligations of an option agreement to purchase EL10120 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 EL. More recently Mr Biddlecombe has acquired Mr Kulbac’s interest in the tenement.

The EL covers an area of 3 graticule blocks and is in its 4th year of tenure. On the 1st September 2010 a waiver of reduction was granted.

1.3 Operator Details

The operator for exploration on the EL 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
2. Geology

The Kulbac EL 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 green-schist facies. The meta-sedimentary rocks are intruded by pre-deformational basic igneous rocks and post-deformational granites.

EL 25120 lies over an area of tightly folded meta-sedimentary rocks and intrusive rocks assigned to the Koolpin and Gerowie Tuff Formations of the South Alligator Group and the Zamu Dolerite. The tenement covers the south-eastern part of the doubly plunging anti-form known as the Golden Dyke Dome. The sedimentary sequence terminates in an apparently tectonic contact against the McMinns Bluff granite in the southern half of the EL.

3. Previous Exploration Activity

The EL forms part of the Golden Dyke Dome–Yam Creek Goldfield where gold was first discovered in 1870. The area of the EL would have been subjected to intensive historical prospecting, as it lies in between the former Golden Dyke Gold Mine and Margaret Diggings alluvial field.

Modern company exploration appears to have commenced in the late 1970’s with regional assessments for base-metals by CRA and others. Both CRA and Nord carried out stream sediment sampling programs over the EL area.

Northern Gold carried out a major soil-sampling program which covers the northern half of the EL. This geochemical work shows weak gold anomalism to extend into the EL from the Margaret Diggings area, and shows an area of strongly elevated lead geochemistry peaking at 1410ppm Pb.

Small scale prospecting for gold has been intermittently carried out over EL25120 by a number of prospectors from at least the early 1990’s to the present.

4. Target Commodities

Thundelarra is exploring the Kulbac EL primarily for uranium, base-metal and gold mineralisation.
5. Exploration Methods

Thundelarra’s exploration efforts have included a compilation and review of historical data and several regional geological traverses. During the geological traversing rock-chip samples are collected.

A high resolution airborne radiometric and magnetic survey was flown, with limited follow-up fieldwork based on results obtained from the survey.

6. Work Carried out and Results

Thundelarra has completed a regional high resolution airborne radiometric and magnetic survey. The survey was flown at 25m line spacing by Thompson Aviation, results were processed by Southern Geoscience Consultants. This survey has been previously reported (Crocodile Gold Ltd, 2009 Annual report for EL23431). A total of 212 line km were flown over the EL.

A 1:25,000 scale interpretive geological map of the survey area was compiled by consultant Barry Cotton. This mapping was previously reported with the 2010 Annual Report for EL10120.

The airborne survey results have highlighted some small radiometric anomalies in Gerowie Tuff at the southern closure of the Golden Dyke Dome. Ground checks of the anomalies show them to be related to zones of fracturing in the vicinity of the fold hinge. Two rock-chip samples collected from this area assayed 439ppm and 350ppm uranium. It is possible that the anomalism reflects a N trending structure extending from the McMinns Bluff Granite which intersects the Gerowie Tuff near the closure of the south plunging Golden Dyke Dome.

7. Environment

Thundelarra’s activities on EL25120 have had no impact on the environment. Access to the El was on foot or along existing tracks.

8. Conclusions

The occurrence of anomalous radioactivity and rock geochemistry in a favourable structural and lithological setting at the southern closure of the Golden Dyke Dome requires further evaluation. Some shallow RC holes will be drilled in this area during October 2010.

9. Expenditure statement

A total of $13,673 was spent on EL25120 by Thundelarra Exploration Ltd
10. Program and Budget

During the next period Thundelarra will carry out geological mapping, an airborne hyper-spectral survey and approximately 150m of RC drilling. Limited soil and rock chip sampling may be carried out to follow-up the airborne surveys.

The provisional budget for EL25120 is as follows:

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APPENDIX I

EL25120 Expenditure Report