

Thursday 16th November, 2017

Portfolio Stock Developments

Thundelarra - (ASX: THX, Share Price: \$0.032, Market Cap: \$20m, coverage initiated @ \$0.047 in June 2017 – currently 32% below initial coverage)



Key Catalyst

High-grade gold results from diamond drilling at Crown Prince prospect, Garden Gully WA.

In our most recent coverage of THX on 6th October the stock was trading at \$0.025. At the time we highlighted the significance of the commencement of diamond drilling at the Crown Prince prospect, situated within its Garden Gully project in WA – an area that boasts historical gold production.

THX has since advised that initial drilling has intersected a new gold discovery in diamond hole TGGRCDD110, with at least six occurrences of free gold hosted within quartz-carbonate veining. This visible gold occurs across a 5.5m interval from 259.3m down-hole depth. THX's share price has risen by 28% since the announcement to be trading currently at around \$0.032.

Technical Significance

The presence of free gold in multiple locations below the historical workings at Crown Prince significantly enhances the potential for commercial mineralization. Free gold was previously known to occur at approximately 110m vertical depth (128.8m down hole in prior hole TGGDD090) and now also at approximately 245m vertical depth (260m down-hole in the latest hole TGGRCDD110).

The host rock is quartz-carbonate veining that is interpreted to lie within the main shear zone, with the latest hole extending the known occurrence of this host rock to at least 120m below the last recorded level of workings. This represents further evidence that primary gold mineralisation persists to depths well below the level of the historical Crown Prince workings.



Figure 1: Free gold at 259.30m (scale: mm)

Garden Gully Overview

THX's owns 100% of the Garden Gully project, which comprises 15 granted Prospecting Licences and two granted Exploration Licences covering about 78 sq km, located in Western Australia's Murchison region. THX began exploration at Garden Gully in mid-2016 and drilled 85 RC holes for 13,721m and two diamond holes for 788m prior to the 3,500m RC and 3,000m diamond programs currently underway.

Records show the area produced 20,718 oz gold at an average grade of 21.7 g/t. Excellent local infrastructure includes two nearby operating gold treatment plants - Doray Minerals' (ASX: DRM) Andy Well plant (~300kpta) and the Bluebird Plant (~3.1 Mtpa) operated by Westgold Resources (ASX: WGX). Both companies are actively exploring the area for more mineralisation for their plants and each holds tenements which abut THX's project area.

Summary

We keenly anticipate the release of assay results from the latest drilling, because the presence of visible free gold generally indicates robust gold grades. Historical gold production totalled about 21,000 ounces at approximately 21 g/t Au and was sourced from a maximum reported depth of 120m. The current drilling is helping to provide a clear understanding of the geology and structures controlling the mineralisation, which in turn will allow better targeting of potential extensions to the mineralisation. The imminent release of results from further holes as well as assay results should maintain market interest in THX, which remains held within our Portfolio.