prospectus

# thomson RESOURCES

**For the offer of 30,000,000 fully paid ordinary shares in Thomson Resources Ltd at an offer price of 20 cents each to raise $6,000,000 with a minimum subscription of $4,000,000 and the right to accept oversubscriptions of up to $2,000,000**

Lead Manager to the Issue
**Martin Place Securities**

MPS
MARTIN PLACE SECURITIES

IMPORTANT INFORMATION: This is an important document that should be read in its entirety.
If you do not understand it, you should consult your professional advisers.
THE SHARES OFFERED BY THIS PROSPECTUS ARE OF A SPECULATIVE NATURE

Proposed ASX Code: **TMZ**

# i Important Information

## INDICATIVE TIMETABLE

| | |
|---|---|
| Date of Prospectus | 22 October 2010 |
| Offer Opening Date | 1 November 2010 |
| Priority Offer Closing Date (5.00 pm EST) | 1 December 2010 |
| Closing Date (5.00 pm EST) | 3 December 2010 |
| Allotment of Shares | 9 December 2010 |
| Despatch of statements of shareholding | 9 December 2010 |
| Expected commencement of trading on ASX | 15 December 2010 |

### Date

This Prospectus for Thomson Resources Ltd ("**Thomson Resources Ltd**", "**Thomson Resources**" or "**the Company**") is dated 22 October 2010. It was lodged with the Australian Securities and Investments Commission ("**ASIC**") on that date. Neither ASIC nor ASX Ltd ("**ASX**") takes any responsibility for the contents of this Prospectus. No Shares will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

### Application for Quotation

Application will be made within 7 days after the date of this Prospectus for permission for the Shares offered by this Prospectus to be listed for Quotation on the securities market operated by ASX.

### Electronic Prospectus

This Prospectus will be issued in paper form and as an electronic Prospectus, which may be accessed on the internet at www.thomsonresources.com.au. The offer of Shares pursuant to the electronic Prospectus is only available to persons receiving an electronic version of this Prospectus in Australia. The Corporations Act prohibits any person passing onto another person the Application Form unless it is attached to, or accompanied by, the complete and unaltered version of this Prospectus. During the Offer Period, any person may obtain a hardcopy of this Prospectus by contacting the Company by email at Info@thomsonresources.com.au.

### Foreign Jurisdictions

This Prospectus does not constitute an offer in any place in which, or to persons to whom, it would not be lawful to make an offer. Distribution of this Prospectus in jurisdictions outside Australia may be restricted by law, and persons who come into possession of this Prospectus should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

## No Authority

No person is authorised to give any information or to make any representation regarding the Offer. Any information or representation in relation to the Offer which is not contained in this Prospectus may not be relied upon as having been authorised by Thomson Resources Ltd or its Directors.

## Exposure Period

In accordance with Chapter 6D of the Corporations Act this Prospectus is subject to an exposure period of 7 days from the date of lodgment with ASIC. This period may be extended by ASIC for a further period of up to 7 days. The purpose of this exposure period is to enable this Prospectus to be examined by market participants prior to the raising of funds. If this Prospectus is found to be deficient, Applications received during the exposure period will be dealt with in accordance with section 724 of the Corporations Act. Applications received prior to the expiry of the exposure period will not be processed until after the exposure period. No preference will be conferred on Applications received in the exposure period and all Applications received in the exposure period will be treated as if they were simultaneously received on the Opening Date.

## Speculative

The Shares offered by this Prospectus are of a speculative nature. Applicants should read this document in its entirety and, if in any doubt, consult with their professional advisers before deciding whether to apply for Shares. The Shares offered under this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends or the future value of the Shares.

## Privacy

When you apply to invest in the Company, you will provide the Company and the Share Registry with certain personal information to: (i) facilitate the assessment of the Application; (ii) enable the Company to assess the needs of Applicants and provide appropriate facilities and services for Applicants; and (iii) carry out appropriate administration. The Company and the Share Registry may be required to disclose this information to: (i) third parties who carry out functions on behalf of the Company; and (ii) other third parties to whom disclosure is required by law. Applicants may request access to their personal information held by (or on behalf of) the Company by telephoning or writing to the Company Secretary.

## Photographs and Diagrams

The items and undertakings depicted in photographs and diagrams in this Prospectus are not assets of the Company, unless otherwise stated. Diagrams appearing in this Prospectus are illustrative only and may not be drawn to scale.

## Definitions

Throughout this Prospectus abbreviations and defined terms are used. Those relevant to mineral exploration are contained in the Glossary of Technical Terms in Section 14 of this Prospectus, and other abbreviations and legal terms are contained in the Definitions in Section 13 of this Prospectus. Defined terms are generally identified by the uppercase first letter.

# Contents


Important Information i

Chairman's Letter 1

1. Investment Highlights and Risks 3
2. Details of the Offer 4
3. Overview of the Company 9
4. Thomson Projects 11
5. Work Program and Budgets 30
6. Directors and Management 32
7. Independent Geologist's Report 35
8. Independent Review of Tenements 43
9. Independent Accountant's Report 51
10. Risk Factors 57
11. Material Contracts 61
12. Additional Information 67
13. Definitions 81
14. Glossary of Technical Terms 83

Application Forms and Instructions to Applicants


## Figures


1 Location of Thomson Fold Belt Project 11

2 Thomson Resources Tenements 14

3 Northern NSW Geology Showing Thomson Resources Tenements and Targets 15

4 Northern NSW Geology Showing Eromanga Basin Cover and Effective Drilling 16

5 Geology and Major Deposits within the Cobar Region 17

6 Cobar Deposit Model 18

7 Geology and Magnetic Responses of Peak-Perseverance Deposits 18

8 Endeavor Magnetics and Long Section of Mineralisation 19

9 Key Project Types and Target Localities 20

10 Thomson Resources Project Pipeline 20

11 Ares Prospect Drilling and Interpreted Geology Over Magnetics 20

12 Ares Prospect Geology and Drilling 21

13 Ares Prospect Section 6588500mn 21

14 Ares Prospect Long Section 22

15 Prospects (Including Cuttaburra) over Magnetics 22

16 Cuttaburra B Magnetic Model Section 23

17 Pyrrhotite Vein in F16 Drill Core 24

18 Magnetic Anomaly at F16 with Modelled Magnetic Body 25

19 Magnetic Anomaly F14 26

20 Magnetic Anomaly at F08 with Modelled Magnetic Body 27

21 Warraweena Geology and Drilling over Magnetics 28

22 EI 6851 With Pirillie Magnetic Anomalies. Drilling Took Place at Anomaly P2 29

# Chairman's Letter

22 October 2010

Dear Investors,

On behalf of the Board of Directors I am pleased to present this Prospectus to you and to invite you to become a shareholder of Thomson Resources Ltd.

An investment in Thomson Resources provides exposure to an Australian based exploration company created to acquire and advance the significant precious (gold and silver) and base (copper, lead and zinc) metal exploration projects within the Thomson Fold Belt of northern New South Wales. The Company controls a dominant ground position of more than 6,000 square kilometres within the Thomson Fold Belt, recognised as one of Australia's most exciting new mineral provinces. The Thomson Fold Belt has many distinct similarities to the well-endowed Lachlan Fold Belt which hosts numerous world-class deposits such as the Peak gold-copper and Endeavor zinc-lead-silver deposits in the Cobar Basin, and the Northparkes and Cadia-Ridgeway porphyry copper-gold systems within the Macquarie Arc, and is interpreted to be its north-western extension.

**The Thomson Fold Belt represents one of the last exploration frontiers in Australia and is considered to have excellent exploration potential for similar large, high-grade deposits.**

Over the past three years Thomson Resources and its ASX-listed founder companies, PlatSearch NL and Minotaur Exploration Ltd, have completed extensive geophysics and drilling in the region, identifying numerous, high quality prospective targets within the Company's exploration tenements. Results from this work have been highly encouraging, providing strong indications that mineral deposits may be present and confirming the many similarities of the region to the Lachlan Fold Belt, including rocks that appear identical to those that host the rich Cobar deposits to the southwest.

Of the 12 exploration holes drilled to date on Thomson Resources' Cobar-type project tenements, six have intersected veining, alteration and base metal sulphides consistent with interpreted proximity to mineralised systems.

In addition, the Company has secured, through joint ventures with Raptor Minerals Limited, quality gold prospects including the Ares gold project where previous exploration has identified high grade, outcropping gold mineralisation within a major fault system.

Since raising $2.5 million in pre-IPO funds in November 2009, Thomson Resources has worked towards enhancing the value of the Company's exceptional tenement portfolio and bringing many of the key targets to the stage of being "drill-ready" through a systematic programme of geophysical and geological work. A number of priority targets within a range of differing geological environments including the advanced Ares gold project and the Cuttaburra and F16 base metal projects have now been clearly defined, ready for immediate drill testing.

This Prospectus invites subscriptions for 30,000,000 shares at an issue price of $0.20 per share to raise $6,000,000 with a minimum subscription of $4,000,000 and the right to accept oversubscriptions of up to $2,000,000. All shares issued pursuant to this Prospectus will be issued as fully paid ordinary shares and will rank equally in all respects with the shares already on issue.

The funds raised will be used to initiate an aggressive and well conceived exploration programme, including deeper rotary/diamond core drilling, to test a minimum of 15-20 priority targets over the next two years. The Company also intends to continue its evaluation and project generation work within this exciting region to maintain its strong pipeline of projects.

My fellow Directors and I believe that this IPO provides investors with an excellent opportunity to participate in the Company's positive future within a very prospective region at an early stage in the Company's development.

Once again, on behalf of the directors of Thomson Resources, I look forward to welcoming you as a shareholder of the Company and to sharing with you in our future success.

Yours sincerely

**Lindsay Gilligan**
*Chairman*

# Investment Highlights and Risks

1

## Thomson Fold Belt Projects

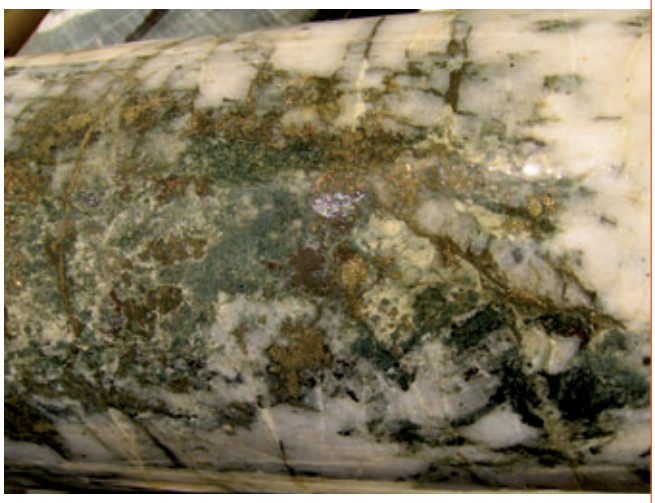
- Extensive tenement holding in a new Australian mineral province with excellent gold and base metal potential: 6,000 square kilometres – largest in the region (and NSW)
- Similar rocks and tectonic history to the Lachlan Fold Belt, one of Australia's premier metalliferous provinces
- Previous exploration defined strong orogenic gold potential within the region, particularly at the Ares project
- Previous work also defined numerous 'bulls-eye' magnetic targets with similar profile to Cobar-type major deposits such as Endeavor and The Peak
- Recent drilling has confirmed Cobar-type alteration and geochemistry
- Other target type potential includes orogenic gold, porphyry copper-gold and magmatic nickel
- A pipeline of well defined prospective targets is available with a number ready for immediate drill testing

## Management and the Company

- Experienced and successful management team – outstanding exploration and ASX-listing credentials
- Strong technical team with extensive experience in Cobar region and Thomson Fold Belt
- Over $3 million already spent on exploration in the area by groups associated with the Company
- 'First mover' advantage in region

## Risks and Project Economics

- The Shares offered by this Prospectus are of a speculative nature
- Prospective investors are referred to Section 10 of this Prospectus for more detail of the risks associated with an investment in the Company
- Exploration work on the Company's tenements is at an early stage and there is no certainty that the Company can develop profitable mining operations on its tenements
- Access difficulties may inhibit exploration programs
- The area is part of the Great Artesian Basin requiring careful environmental management
- Market conditions might dictate that sufficient funds to conduct the exploration plans cannot be raised
- Despite the presence of geological indications and encouragement there may not be any economic metal deposits in the area



# 2 Details of the Offer

## 2.1 Description of the Offer

This Prospectus invites subscriptions for 30,000,000 Shares at an issue price of $0.20 per Share to raise $6,000,000 with a minimum subscription of $4,000,000 and the right to accept oversubscriptions of up to $2,000,000. All Shares issued pursuant to this Prospectus will be issued as fully paid ordinary shares and will rank equally in all respects with the Shares already on issue. The rights attaching to the Shares are summarised in Section 12.6 of this Prospectus.

The Offer under this Prospectus consists of:

- a Priority Offer exclusively to Minotaur Shareholders and PlatSearch Shareholders; and
- a Public Offer which is available to all public investors.

The minimum subscription for the offer is $4,000,000. No Shares will be allotted or issued until the Offer has reached the minimum subscription. If the minimum subscription has not been achieved within 4 months after the date of this Prospectus, all Applications will be dealt with in accordance with the Corporations Act.

The Company will pay a commission (at a negotiable rate of the amount of Application Monies the subject of an Application which results in an allotment of Shares) to any stockbroker, licensed securities dealer or other person legally entitled to receive commission in respect of a person subscribing for the Shares ("Dealer") where the Dealer has introduced the Applicant and indicated that introduction by completion of the "brokers reference" section of the Application Form. The commission will be paid within 21 Business Days of the allotment of the Shares on the presentation of a tax invoice.

## 2.2 Opening and Closing Dates

Subscription lists will open on the Opening Date and will remain open until 5.00 pm EST on the Priority Offer Closing Date in respect of the Priority Offer and 5.00 pm EST on the Closing Date in respect of the Public Offer subject to the right of the Company to either close either the Priority Offer or the Public Offer at an earlier time and date or to extend the closing time and date of either the Priority Offer or the Public Offer without prior notice. Applicants are encouraged to submit their Applications as early as possible.

## 2.3 Indicative Timetable

| | |
|---|---|
| Offer Opening Date | 1 November 2010 |
| Priority Offer Closing Date | 5.00pm (EST)<br>1 December 2010 |
| Closing Date | 5.00pm (EST)<br>3 December 2010 |
| Allotment of Shares | 9 December 2010 |
| Despatch of statements of shareholding | 9 December 2010 |
| Quotation of Shares on ASX expected to commence | 15 December 2010 |

The above dates are indicative only.

## 2.4 Purpose of the Offer and Use of Funds

The purpose of the Issue is to raise adequate funds to allow the continued exploration of the projects described in this Prospectus, in particular:

- to convert identified gold and base metal tenements into advanced projects;
- to establish a cash flow by bringing those projects with potential reserves into production if feasible; and
- to identify new targets and acquire more tenements for evaluation.

The Company reserves the right to accept oversubscriptions of up to $2,000,000 through the issue of up to a further 10,000,000 Shares at an issue price of $0.20 per Share. The maximum amount which may be raised under this Prospectus is therefore $8,000,000 by the issue of a maximum of 40,000,000 Shares.

Any oversubscriptions raised will be applied as additional working capital to either accelerate exploration of existing projects or to acquire additional interests, or a combination of both.

The funds raised from the Issue will be applied as follows:

| | Minimum Raising | Fully subscribed | Over-allotment option fully exercised |
|---|---|---|---|
| **Total raised in the Offer** | **$4,000,000** | **$6,000,000** | **$8,000,000** |
| **Application of funds:** | | | |
| Exploration Expenditure (budget for first two years) | $2,550,000 | $4,450,000 | $6,350,000 |
| Expenses of the Offer | $500,000 | $600,000 | $700,000 |
| Administration | $450,000 | $450,000 | $450,000 |
| General Working Capital and New Projects | $500,000 | $500,000 | $500,000 |
| **Total Funds Applied** | **$4,000,000** | **$6,000,000** | **$8,000,000** |

The Directors are satisfied that if the Offer achieves at least the minimum subscription, the Company will have enough working capital to carry out its stated objectives for a period of at least two years.

Details of the proposed exploration programmes and the associated expenditures are provided in Section 5 of this Prospectus.

## 2.5 Priority Offer – PlatSearch NL Shareholders and Minotaur Exploration Ltd Shareholders

Of the 30,000,000 Shares being offered, 10,000,000 Shares will be offered in priority to PlatSearch Shareholders and Minotaur Shareholders who were registered as holding a minimum of 8,000 shares in PlatSearch or Minotaur on 22 October 2010 and are still holding at least 8,000 shares in PlatSearch or Minotaur on the Opening Date ("Priority Offer").

PlatSearch Shareholders and Minotaur Shareholders may apply for as many Shares as they wish under the Priority Offer (subject to the requirements referred to in Section 2.7 of this Prospectus).

The priority given to PlatSearch Shareholders and Minotaur Shareholders will be in respect of Shares applied for by each qualifying Applicant, providing that the total Shares issued to PlatSearch Shareholders and Minotaur Shareholders does not exceed 10,000,000 Shares. Applications under the Priority Offer will be allotted on a first-come first-served basis and the final allocation decision will be at the sole discretion of the Board.

Should Applications from qualifying PlatSearch Shareholders and Minotaur Shareholders exceed 10,000,000 Shares available under the Priority Offer, they will be considered as part of the Public Offer.

PlatSearch Shareholders and Minotaur Shareholders need to use the Priority Application Form attached to this Prospectus and this must be received on or before the Priority Offer Closing Date. Priority Application Forms received after the Priority Offer Closing Date will be treated as Applications in the Public Offer.

Any Shares not subscribed for under the Priority Offer will be available under the Public Offer.

## 2.6 Public Offer

Of the 30,000,000 Shares being offered, 20,000,000 Shares (as well as Shares not subscribed for under the Priority Offer) will be available to the general public under the Public Offer. Applications for Shares by general investors must be made on the Public Application Form attached to this Prospectus and this must be received on or before the Closing Date.

## 2.7 Applications for Shares

Applications must be for a minimum of 10,000 Shares ($2,000) and thereafter in multiples of 1,000 Shares ($200) and can only be made by completing the relevant Application Form attached to this Prospectus. The Company reserves the right to reject any Application or to allocate any investor fewer Shares than the number applied for.

## 2.8 How to Apply

Applications under the Offer may be made, and will only be accepted, in one of the following forms:

- on the relevant Application Form accompanying this Prospectus;
- on a paper copy of the relevant electronic Application Form which accompanies the electronic version of this Prospectus, both of which can be found at and can be downloaded from: www.thomsonresources.com.au.

Paper Application Forms, whether accompanying a paper copy of this Prospectus or which have been downloaded from www.thomsonresources.com.au, must be accompanied by a personal cheque or a bank draft payable in Australian dollars, drawn on an Australian branch of an Australian registered bank for an amount equal to the number of Shares for which you wish to apply multiplied by the application price of $0.20 per Share. Cheques or bank drafts should be made payable to "Thomson Resources Ltd New Issue Account" and crossed "Not Negotiable".

Applicants should ensure that cleared funds are available at the time the Application is lodged, as dishonoured cheques will result in the Application being rejected.

Applicants should return their completed Application Forms to Registries Limited at GPO Box 3993, Sydney NSW 2001 by no later than 5.00 pm EST on 1 December 2010 for those applying under the Priority Offer and by no later than 5.00 pm EST on 3 December 2010 for those applying under the Public Offer.

Detailed instructions on how to complete paper Application Forms are set out on the reverse of those forms. You are not required to sign the Application Form. The Company reserves the right to reject any Application (including where an Application has not been correctly completed) or allocate any person fewer Shares than that person applied for, or vary the dates and times of the Offer without prior notice and independently of other parts of the Offer. Where Applications are rejected or fewer Shares are allotted than applied for, surplus Application Monies will be refunded. No interest will be paid on any Application Monies refunded.

## 2.9 Proforma Capital Structure

The proforma capital structure of the Company is set out at the bottom of this page to reflect the issued and paid up capital structure of the Company under the three possible scenarios of the Offer, namely:

- Minimum subscription of $4,000,000.
- Full subscription of $6,000,000 with no oversubscriptions.
- Full subscription of $6,000,000 together with the maximum of $2,000,000 in oversubscriptions.

| UNLISTED OPTIONS | |
|---|---|
| Issued to vendors* | 6,500,000 |
| Issued to Directors** | 2,100,000 |
| Other*** | 900,000 |
| **Total** | **9,500,000** |

* *These Options were issued as part consideration for the acquisition of exploration tenements with an exercise price of $0.30 each and an expiry date of 11 December 2014.*

** *These Options were issued for no consideration with an exercise price of $0.30 each. 750,000 of these Options were issued to Eoin Rothery prior to his appointment as a Director and have an expiry date of 19 February 2015. The balance of 1,350,000 Options issued to Directors have an expiry date of 5 May 2015.*

*** *These Options were issued for no consideration with an exercise price of $0.30 each and an expiry date of 19 February 2015.*

See Section 12.13 of this Prospectus for the terms and conditions of these options.

In addition, the Company will prior to Quotation grant 3,000,000 Options to the Lead Manager pursuant to the Lead Management Agreement (a summary of which is contained in Section 11.7 of this Prospectus) with an exercise price of $0.25 each and an expiry date of 24 months after the earlier of Quotation and the date the Options cease to be treated as restricted securities by ASX. See Section 12.13(e) of this Prospectus for the terms and conditions of these Options.

## 2.10 Allotment and Allocation of Shares

Subject to the ASX granting approval for the Company to be admitted to the Official List, the allotment of Shares to Applicants will occur as soon as possible after the Offer is closed, following which statements of Shareholdings will be despatched. It is the responsibility of Applicants to determine their allocation prior to trading in Shares. Applicants who sell their Shares before they receive their holding statements will do so at their own risk. Pending the issue of the Shares or return of the Application Monies, the Application Monies will be held in trust for the Applicants.

The Company has the right to allocate the Shares under the Offer. The Company may reject any Application or allocate any investor fewer Shares than applied for under the Offer. If an Application is not accepted, or is accepted in part only, the relevant part of the Application Monies will be refunded. Interest will not be paid on Application Monies refunded.

Proforma Capital Structure of the Company

| | Minimum suscription | | Fully subscribed with no oversubscriptions | | Fully subscribed with maximum oversubscriptions | |
|---|---|---|---|---|---|---|
| **Shares** | **Number** | **% Holding** | **Number** | **% Holding** | **Number** | **% Holding** |
| Existing Shares | 47,320,000 | 70.29 | 47,320,000 | 61.20 | 47,320,000 | 54.19 |
| Shares issued pursuant to this Prospectus | 20,000,000 | 29.71 | 30,000,000 | 38.80 | 40,000,000 | 45.81 |
| **Total** | **67,320,000** | **100.00** | **77,320,000** | **100.00** | **87,320,000** | **100.00** |

## 2.11 Stock Exchange Listing

Within seven days after the date of this Prospectus, application will be made to ASX for the Company to be admitted to the Official List and for the Shares offered by this Prospectus to be granted Quotation. If approval for Quotation is not granted within three months after the date of this Prospectus, the Company will not allot or issue any Shares pursuant to the Offer and will repay all Application Monies without any interest as soon as practicable. The fact that ASX may admit the Company to its Official List is not to be taken in any way as an indication of the merits of the Company or the Shares offered pursuant to this Prospectus.

## 2.12 CHESS

The Company proposes participating in the Clearing House Electronic Subregister System ("CHESS"), operated by ASX Settlement and Transfer Corporation Pty Ltd ("ASTC") a wholly owned subsidiary of ASX, in accordance with the Listing Rules and ASTC Settlement Rules.

Under this system, the Company will not issue certificates to investors. Instead, Shareholders will receive a statement of their holdings in the Company.

If an investor is broker-sponsored, ASTC will send them a CHESS statement. The CHESS statement will set out the number of Shares allotted to the investor under this Prospectus, give details of the Shareholder's holder identification number ("HIN") and give the participant identification number of the sponsor.

Alternatively, if an investor is registered on the issuer-sponsored sub-register, the statement will be despatched by the Share Registry and will contain the number of Shares allotted under this Prospectus and the Shareholder's security holder reference number ("SRN").

A CHESS statement or issuer-sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their holding changes. A Shareholder may request a statement at any other time, however, a charge may be made for additional statements.

## 2.13 Overseas Investors

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. Lodgment of a duly completed Application Form will be taken by the Company as to constitute a representation that there has been no breach of such laws.

No action has been taken to register or qualify the Shares, or the Offer, or otherwise to permit a public offering of the Shares, in any jurisdiction outside Australia.

The Offer pursuant to an electronic Prospectus is only available to persons receiving an electronic version of this Prospectus within Australia.

## 2.14 Privacy Act

The Company collects information about each Applicant from the Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's Shareholding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information in the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers (including mailing houses), ASX, ASIC and other regulatory authorities.

If an Applicant becomes a Shareholder of the Company, the Corporations Act requires the Company to include information about the Shareholder (name, address and details of the Shares held) in its public register. This information must remain in the register even if that person ceases to be a Shareholder of the Company. Information contained in the Company's registers is also used to facilitate distribution of payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its Shareholders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

## 2.15 Taxation

The Australian taxation consequences of any investment in Shares will depend upon the investor's particular circumstances. It is an obligation of investors to make their own enquiries concerning the taxation consequences of an investment in the Company. If you are in doubt as to the course of action you should take, you should consult your professional advisers.

## 2.16 Restricted Securities – Mandatory and Voluntary Escrow

As a condition of admitting the Company to the Official List, ASX is expected to classify certain Shares and Options held prior to the date of this Prospectus as escrowed securities. Prior to Quotation it will be necessary for these Shareholders and Optionholders to enter into restriction agreements with the Company. The effect of the restriction agreements will be that the restricted securities

cannot be dealt with for a period as determined by ASX. Details of any determination by ASX will be released to the market prior to commencement of trading in the Shares.

To the extent that 16,825,000 Shares which were issued at $0.10 cents each to raise seed capital are not subject to escrow under the restricted securities provisions of the Listing Rules as referred to above, it is proposed that they will be subject to voluntary escrow pursuant to various voluntary escrow agreements to be entered into by the holders of those shares with the Company pursuant to which the holders agree (among other things) that for the period of six months from the Listing Date they will not do any of the following:

- dispose of, or agree or offer to dispose of, the Shares;
- create, or agree or offer to create, any security interest in the Shares; and
- do or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of the Shares.

## 2.17 Investment Risks

The investment offered herein is speculative, as the Tenements detailed in this Prospectus are at an exploration stage without proven economic reserves.

Further information on risk is provided in Section 10 of this Prospectus.

## 2.18 Dividend Policy

The Company does not yet have a dividend policy. The Company has no immediate intention to declare or distribute dividends. Payment of future dividends will depend upon the future profitability and financial position of the Company.

## 2.19 Financial Forecasts

The Directors believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

## 2.20 Lead Manager

Martin Place Securities Pty Limited has agreed to act as lead manager for the Offer. A summary of the Lead Management Agreement, including fees payable, is contained in Section 11.7 of this Prospectus.

## 2.21 No Underwriting

The Offer is not underwritten.

# Overview of the Company

3

Thomson Resources Ltd was incorporated on 17 July 2009 with the aim of acquiring and developing mineral property assets within the Thomson Fold Belt of NSW. The Company acquired the majority of the mineral properties through the purchase of certain mineral tenements from two ASX listed companies, Minotaur and PlatSearch. In addition, Thomson Resources Ltd also acquired the rights to earn up to a 75% interest in a number of tenements held by Raptor Minerals Ltd, a wholly owned subsidiary of Compass Resources Limited.

In November 2009 the Company successfully raised $2.5 million interim funding through PlatSearch and Minotaur and a number of sophisticated Australian and Singaporean investors. The top 20 holders of Shares in the Company prior to the Offer are identified in Section 12.12 of this Prospectus.

## 3.1 Company Objectives and Strategies

Thomson Resources Ltd is a technically focussed exploration company. It aims to apply modern exploration techniques and conceptual models into the underexplored, but potentially well endowed, Thomson Fold Belt to discover significant base and precious metal deposits.

The core objective of the Company is to generate substantial shareholder wealth through the successful exploration and development of mineral deposits in this region.

The Company will use the most up to date conceptual geological models and deploy the latest exploration techniques such as ultra-detailed magnetics, hyper-spectral and isotopic studies and possible 3D Induced Polarisation surveys to assist in the targeting and successful testing of key prospects of interest in the region. Crucially, the Company also intends to apply advanced drilling technology to cut through overlying cover sequences and provide more appropriate drill hole orientations and thus coverage to ensure that the prospective targets are well tested.

The funds raised by the Offer will be applied to carry out exploration, including substantial drilling programmes, that has been designed to build on encouraging results derived from previous work. The mineral deposits that are being sought are of high intrinsic value and, if ultimately proven to be economic, have the potential to generate substantial, long term cash flows from operations.

## 3.2 Directors and Management

To successfully implement its proposed exploration programmes and manage the Company, Thomson Resources has assembled a Board and management team with strong technical and commercial skills and significant experience in the Australian resources industry.

Board appointees are:

- Independent Chairman – Mr Lindsay Gilligan, former Director of the Geological Survey of NSW
- Chief Executive Officer – Mr Eoin Rothery, former exploration manager for Consolidated Minerals Limited and director of India Resources Limited
- Non Executive Directors – Dr Antonio Belperio and Mr Greg Jones, both experienced company directors and exploration geologists, representing key shareholders Minotaur and PlatSearch respectively

In addition, the Company has secured the services of Mr Ivo Polovineo, formerly CFO and company secretary of Sino Gold Mining Limited, as company secretary as well as a number of senior consultants to assist in managing technical, tenement and general corporate matters.

Further details of the directors and management are provided in Section 6 of this Prospectus.

## 3.3 Corporate Governance

The Board of Directors of Thomson Resources Limited is responsible for the corporate governance of the Company, including its strategic development. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable. Details of the Company's Corporate Governance principles, policies and exceptions are set out in Section 12.2 of this Prospectus.

# Thomson Projects

4

## 4.1 Introduction and Location

Thomson Resources' exploration projects are mostly located within the Thomson Fold Belt ("TFB"), a frontier exploration region located in the sparsely populated north-western NSW, 800 kilometres northwest of Sydney, between the regional centres of Bourke and Tibooburra (Figure 1). The area is dry and sparsely vegetated, supporting a range of mulga (acacia) shrublands and low woodlands and is flat and featureless, an advantage for exploration within the region.

## 4.2 Exploration History and Tenure

The TFB is essentially unexplored. Until recently, no significant base or precious metal exploration had been conducted along the 500 kilometres extent of the belt due to cover by younger rocks. Prior to 2007, less than 50 drill holes had been drilled into the concealed sections of the TFB and little was known of the basement geology. The mineral potential of the TFB was thus very poorly understood.

Greater interest in the region was triggered in 2006 with the release of new detailed aeromagnetic data by the NSW Department of Industry and Investment ("IINSW"), under its New Frontiers initiative. The cover rocks, which are highly variable in thickness from a few metres to over 500 metres, are essentially non-magnetic and geophysically transparent, allowing the features of the basement rocks to be seen clearly using the magnetic data. The new

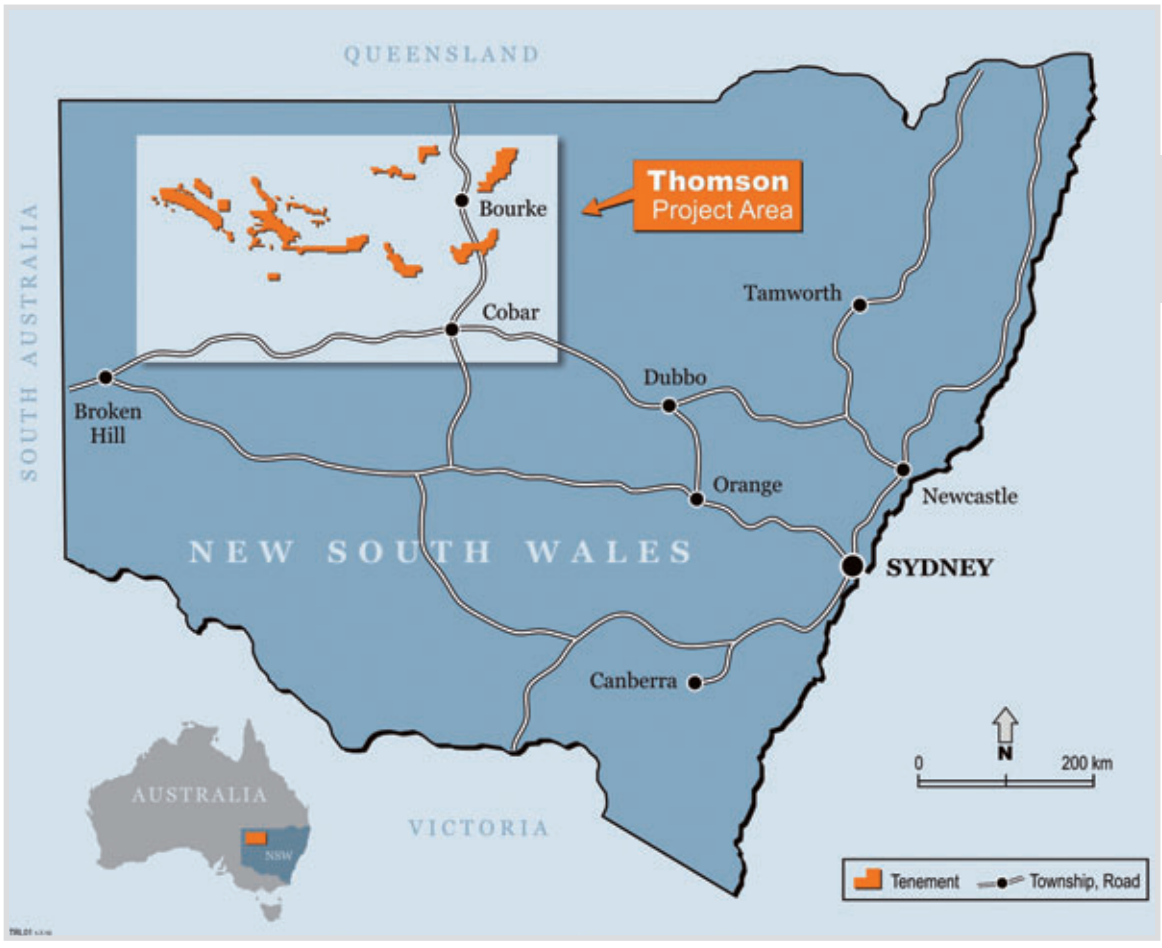



**Figure 1:** Location of Thomson Fold Belt Projects

geophysics revealed folding and faulting as well as numerous discrete magnetic anomalies that indicate past geological processes of potential economic significance may have been active in the region.

PlatSearch, Minotaur and Compass Resources Limited ("Compass Resources") were the 'first mover' exploration companies into the province and recognised the significance of the new information, applying for a number of exploration licences over some of the key areas defined by the IINSW magnetics.

In 2007 Minotaur and PlatSearch commenced exploring the region under a series of joint ventures, completing additional ground geophysics and drilling nine rotary/core holes on eight prospects, targeting discrete magnetic anomalies. Exploration results from the drilling were considered highly encouraging despite orientation difficulties with the drill holes. Five of the nine holes intersected altered rocks and disseminated / vein pyrrhotite, potentially indicative of the existence of Cobar-type (see Section 4.4 of this Prospectus) base and precious metal mineralisation (Section 7 of this Prospectus, Table 1).

**Table 1:**

Thomson Resources Tenements

| EL No | Name | Holder | Sq km | Grant Date | Expiry Date |
|---|---|---|---|---|---|
| 6630 | Tongo | Thomson | 207 | 7-Sep-06 | Renewal Sought |
| 6631 | Yantabangee | Thomson | 231 | 7-Sep-06 | Renewal Sought |
| 6646 | Monolon | Thomson | 166 | 13-Oct-06 | Renewal Sought |
| 6664 | Klondyke | Thomson | 192 | 21-Nov-06 | Renewal Sought |
| 6668 | Mt Pleasant | Thomson | 94 | 21-Nov-06 | Renewal Sought |
| 6720 | Glendara | Thomson | 86 | 26-Feb-07 | 25-Feb-11 |
| 6721 | Laurel | Thomson | 148 | 26-Feb-07 | 25-Feb-11 |
| 6723 | Callindary | Thomson | 149 | 26-Feb-07 | 25-Feb-11 |
| 6766 | Mulga | Thomson | 92 | 30-Apr-07 | 29-Apr-11 |
| 6850 | Tringadee | Thomson | 298 | 3-Aug-07 | 3-Aug-11 |
| 6851 | Pirillie | Thomson | 272 | 3-Aug-07 | 3-Aug-11 |
| 6909 | Kanga | Thomson | 297 | 16-Oct-07 | 16-Oct-11 |
| 7258 | Wongalilli | Thomson | 308 | 9-Dec-08 | 9-Dec-10 |
| 7265 | Cathedral | Thomson | 297 | 23-Dec-08 | 23-Dec-10 |
| 6783 | Mulga Tank | Raptor | 276 | 22-May-07 | 22-May-11 |
| 6844 | Louth Road | Raptor | 295 | 3-Aug-07 | 3-Aug-11 |
| 6870 | Germaine | Raptor | 38 | 6-Sep-07 | 6-Sep-11 |
| 6969 | Bernadette | Raptor | 24 | 11-Dec-07 | Renewal Sought |
| 7000 | Gumpopla | Raptor | 630 | 3-Jan-08 | 3-Jan-12 |
| 6224 | Cuttaburra | Raptor | 118 | 5-Apr-04 | 4-Apr-2012 |
| 7180 | Nantilla | Raptor | 342 | 15-Jul-08 | Renewal Sought |
| 7253 | Lillyfield 1 | Raptor | 449 | 28-Nov-08 | Renewal Sought |
| 7252 | Lillyfield 2 | Raptor | 525 | 28-Nov-08 | Renewal Sought |
| 6715 | Yancannia 2 | Raptor | 297 | 7-Feb-07 | 6-Feb-11 |
| 6727 | Cuttaburra N | Raptor | 529 | 5-Mar-07 | 5-Mar-11 |
| 6853 | Bridgette | Raptor | 95 | 8-Aug-07 | 8-Aug-11 |
| ELA 3931 | Croke Park | Thomson | 295 | Application | N/A |
| ELA 4043 | Wallenburra | Thomson | 295 | Application | N/A |
| ELA 4044 | Knightvale | Thomson | 295 | Application | N/A |

*Notes: The Raptor tenements are all in JVs with Thomson, details of which are set out in Section 11.2 of this Prospectus.*

*The tenements originally applied for by Bohuon Resources Pty Ltd ("**Bohuon**") (ELs 6224, 6715, 6853, 6870 and 6969) are subject to the Bohuon Success Fee Agreement (details of which are set out in Section 11.3 of this Prospectus).*

Similarly, around the same period, Compass Resources completed substantial airborne magnetics, ground induced-polarisation (IP) surveys and drilled three diamond holes, including one at the Cuttaburra project, which also intersected strongly altered rocks, base metal sulphides and anomalous geochemistry similar to that expected proximal to Cobar-type deposits.

In 2009 Minotaur and PlatSearch, encouraged by the exploration results, combined their tenements and formed Thomson Resources Ltd. Thomson Resources then raised $2.5 million from sophisticated Singaporean and Australian investors and completed additional exploration work including a 21,000 line kilometre ultra-detailed aeromagnetic survey and further ground magnetic surveys.

**The strike rate of encouraging results from the recent drilling is considered very high and a clear indication that the targeting criteria and exploration methods are appropriate and that the area has strong potential for economic mineral deposits.**

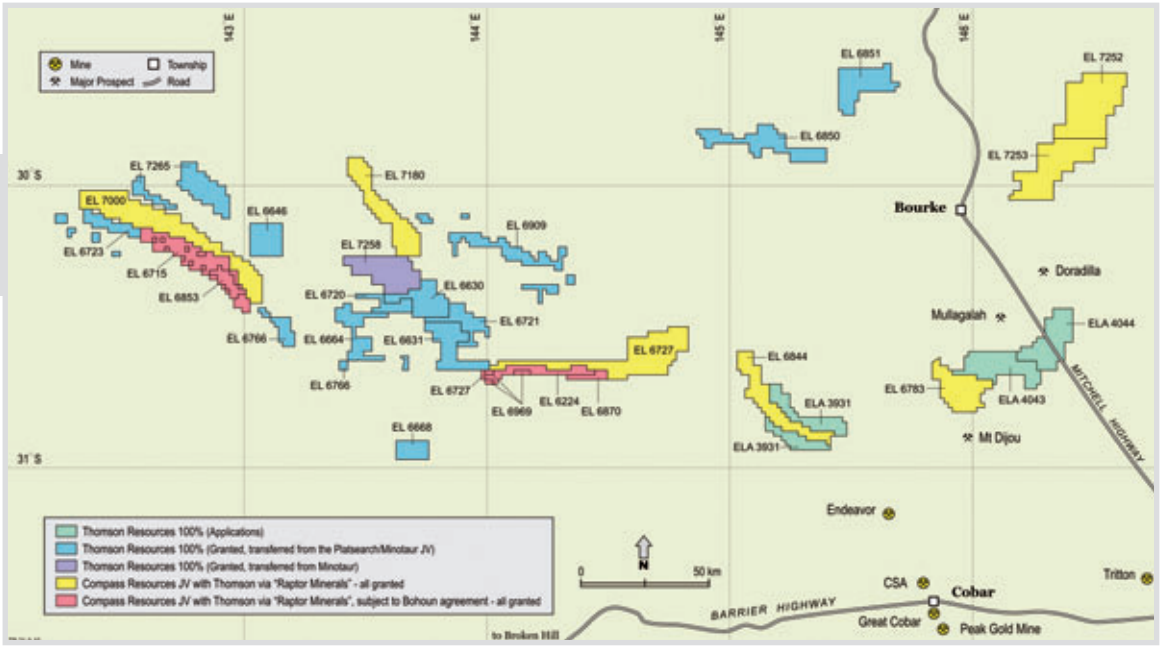
In February 2010 Thomson Resources entered into four joint ventures with a wholly owned subsidiary of Compass Resources (Raptor Minerals Limited) to earn up to a 75% interest in that company's exploration tenements within the TFB (details provided in Section 11.2 of this Prospectus). These tenements are adjacent to and contiguous with the Thomson Resources tenements and contain a number of high quality prospects including Cuttaburra base metal and Ares gold targets.

Combined with the Raptor Minerals Limited tenements, Thomson Resources now controls in excess of 6,000 square kilometres of the TFB (Table 1).

To date, PlatSearch/Minotaur/Compass Resources have spent approximately $3 million in exploring the region, with geophysical modelling and drilling defining more than 30 targets (see Section 5 of this Prospectus) that warrant exploration follow up.

**Figure 2:**

Thomson Resources Tenements




## 4.3 Geology

The TFB is a major geological province covering a large area of southeast Queensland and north-western NSW. The TFB forms part of the Tasmanides, a collage of four orogenic belts (including the Lachlan Fold Belt) formed as a result of the interaction of the Australian craton (part of Gondwana) with the proto-Pacific plate over the period 550 to 210 million years ago.

The TFB was previously thought to be a distinct geological province based primarily on its general east-west trend in NSW compared with the mainly northerly trends of the adjoining Lachlan and Delamerian Fold Belts. Recent work, however, has defined a number of rock types within the TFB also found in the adjacent, highly mineralised Lachlan Fold Belt suggesting that the TFB is, in fact, an extension of the Lachlan Fold Belt and that the difference in trends merely reflects a bend in the ancient volcanic arc that helped generate the rock assemblages. Recent work by the IINSW, PlatSearch, Minotaur and Compass Resources provides clear comparative evidence and reasoning for this assertion including similar lithologies, chemistry and ages (see Section 7 of this Prospectus, Table 2).

Key rock assemblages now known to be present within the TFB include:

a. Mid-Silurian to mid-Devonian marine sediments which are interpreted to underlie much of Thomson Resources' tenements (Figure 3) and are considered key target lithologies for future exploration. The assemblages are believed to be of similar type, age and provenance to those found within the structurally disrupted Cobar Basin, host to a number of world-class base and precious metal deposits. Within the TFB, these same rock units are interpreted to form an arcuate belt that appears to link directly into the Cobar Basin to the south.

b. Two regions where volcanic rocks have been identified in drilling – Louth and Warraweena. At Warraweena, petrological and geochemical data suggest similarities to volcanics of the Ordovician Macquarie Arc to the southeast, host to several major copper-gold porphyry systems including Cadia-Ridgeway.

c. Within the north-eastern TFB, a 200 kilometre long, ultramafic ophiolite assemblage which offers the possible magmatic nickel potential, supported by the intersection of nickel sulphides in the first drill testing of the area.

The majority of the TFB is covered by flat-lying Mesozoic sediments of the Great Artesian (Eromanga) Basin with only the very southeast margin of the TFB exposed in NSW. It is because of this cover that the TFB has, until very recently, received little exploration interest.

Most of what is known about the economically important basement rocks of the TFB comes from drilling. However, there are less than 50 exploration holes that have been drilled through cover into the TFB basement, or only one hole for every 1,800 square kilometres of the TFB under cover (Figure 4).

Of these holes, at least 12 have intersected mineralisation and rocks that resemble those of the Cobar Basin. Drilling within one of the few areas of outcrop in the eastern section of the TFB defined high grade gold mineralization (Ares prospect) (see below) whilst six others in the central section recorded the presence of pyrrhotite, sphalerite, galena and/or chalcopyrite mineralisation with

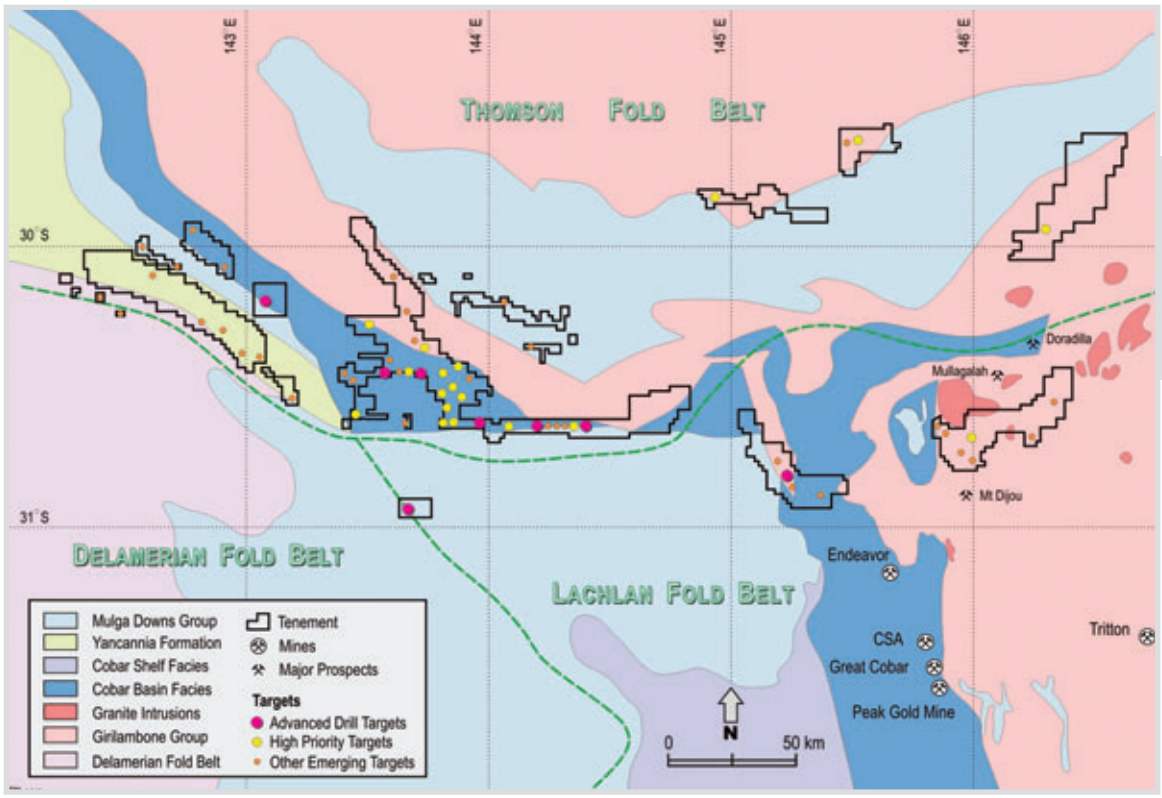



**Figure 3:**

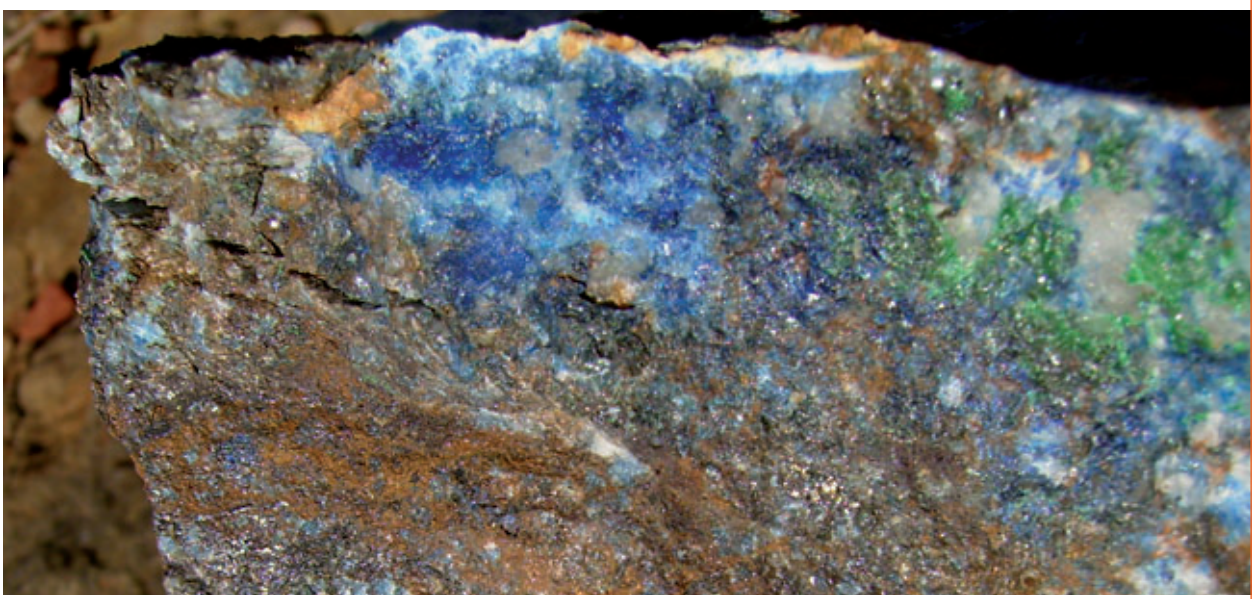
Northern NSW geology showing Thomson Resources Tenements and targets

accompanying quartz veining and stockworks reminiscent of that seen in the haloes of mineral deposits at Cobar.

## 4.4 Target Mineralisation Styles

The Lachlan Fold Belt is one of the world's great metallogenic provinces. In NSW it has produced in excess of $200 billion of metals, mainly as gold (>2,100 tonnes Au), copper (11.8 million tonnes Cu) and lead and zinc (>7.5 million tonnes Pb+Zn). The province hosts in excess of 3,000 mineral deposits including 24 recognised porphyry copper-gold systems such as the world-class Cadia-Ridgeway and Northparkes deposits. It also hosts the large, high grade base and precious metal deposits of the Cobar Basin located close to the southern margin of the TFB.

The Thomson Resources tenement package is prospective for a range of mineralisation styles that have been identified in the adjacent Lachlan Fold Belt. These include



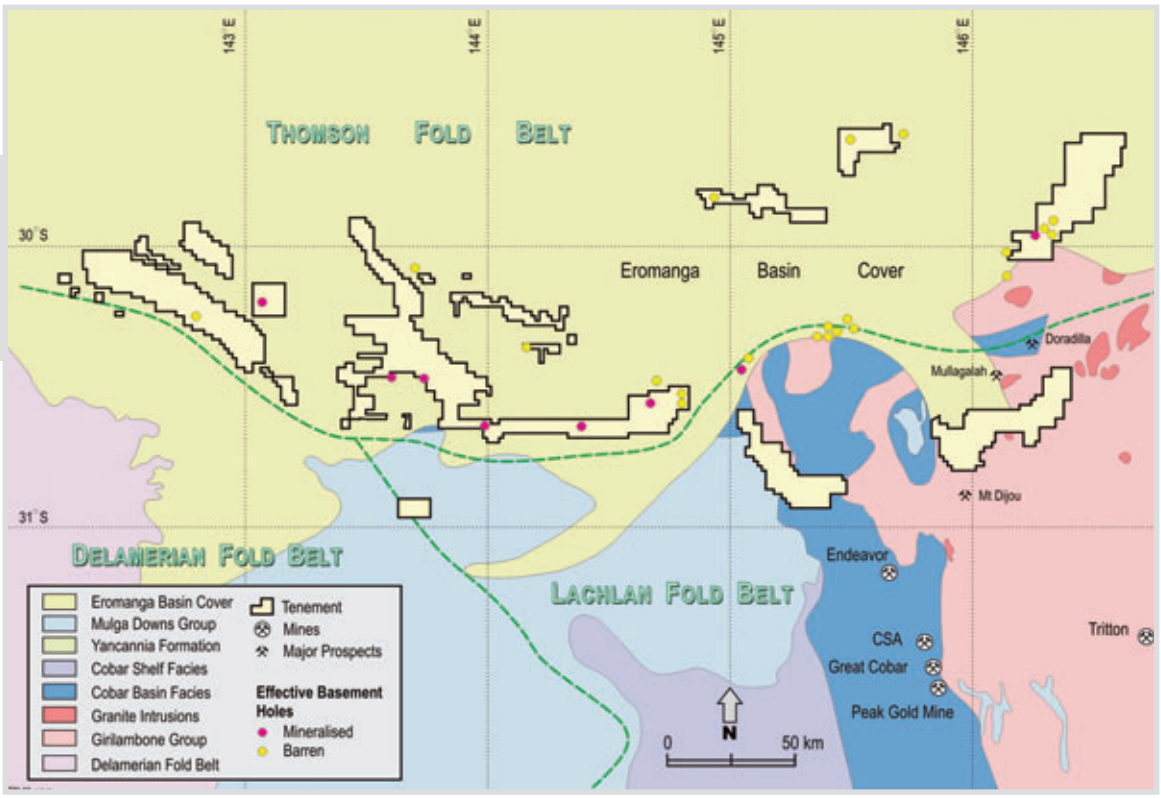



**Figure 4:**

Northern NSW geology showing Eromanga Basin Cover and effective drilling

orogenic gold, Cobar-type base and precious metal, porphyry copper-gold, and magmatic nickel deposits.

The TFB also offers the opportunity for possible VMS copper-lead-zinc deposits.

### Major Deposits of the Cobar Basin

| Deposit | Million tonnes | Cu% | Au g/t | Ag g/t | Pb% | Zn% |
|---|---|---|---|---|---|---|
| CSA | 47.8 | 3.1 | | 22 | 0.6 | 2.0 |
| Endeavor | 42.0 | 0.2 | | 96 | 5.4 | 8.6 |
| Wonawinta | 21.9 | | | 72 | 1.0 | |
| Great Cobar | 12.0 | 1.9 | 1.5 | | | |
| Chesney | 6.0 | 1.9 | 0.8 | | | |
| New Occidental | 5.4 | 0.2 | 8.8 | | 0.1 | 0.1 |
| The Peak | 5.2 | 0.8 | 9.1 | 8 | 1.1 | 1.0 |
| New Cobar | 4.1 | 0.5 | 4.6 | | | |
| Hera | 2.2 | 0.2 | 4.0 | 16 | 2.8 | 3.9 |
| McKinnons | 2.7 | | 1.7 | | | |
| Mineral Hill | 2.1 | 1.14 | 6.5 | | | |
| Mount Boppy | 1.4 | | 11.7 | | | |
| Queen Bee | 1.2 | 2.4 | | | | |
| Nymagee | 0.4 | 5.8 | | | | |
| Mayday | 0.2 | | 2.2 | | | |

*The deposits in the tables above and below are not assets of the Company and the proximity of the Company's projects to these deposits should in no way be taken as an indication that the Company will be able to successfully develop any project.*

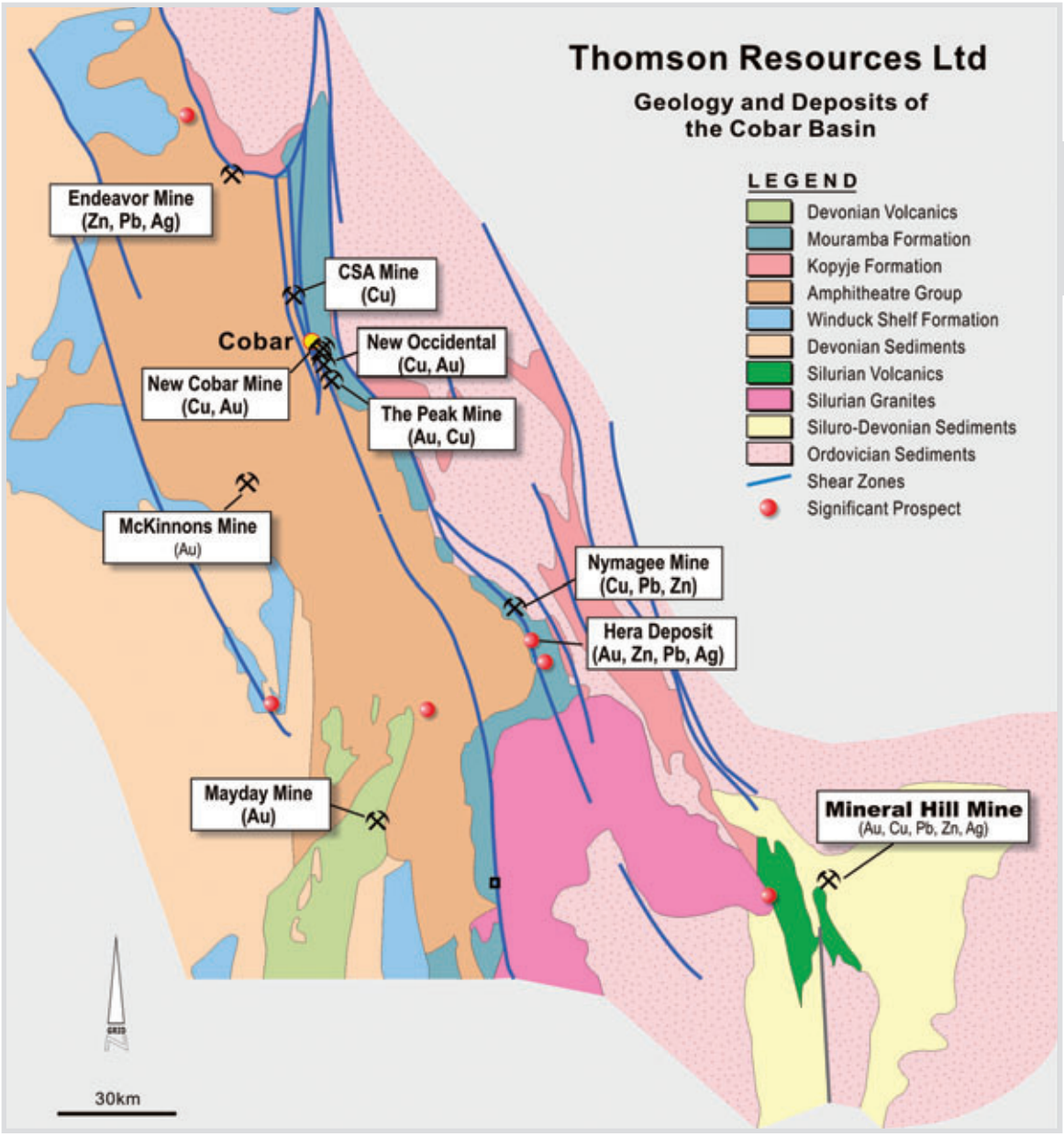



**Figure 5:**
Geology and Major Deposits within the Cobar Region

### Other Major Deposits in the Lachlan Fold Belt

| Deposit | Million Tonnes | Cu% | Au g/t | Ag g/t |
|---|---|---|---|---|
| Cadia East | 2347 | 0.3 | 0.4 | |
| Cadia Hill | 408 | 0.1 | 0.4 | 22 |
| Ridgeway | 155 | 0.4 | 0.7 | 96 |
| Northparkes | 153 | 1.0 | 0.5 | 72 |
| Temora | 142 | 0.3 | 0.3 | |
| McPhillamys | 92 | 0.1 | 1.0 | |
| Lake Cowal | 69 | | 1.3 | |
| Tritton | 14 | 2.7 | 0.3 | 12 |
| Tomingley | 11 | | 2.3 | |
| Girilambone | 10 | 1.4 | | |

### Cobar-type, gold, copper and lead-zinc-silver

The interpreted northern extension of the Cobar Basin into the TFB provides for one of the main target styles for Thomson Resources. The Cobar Basin is one of the most important metalliferous regions in Australia and contains some of the largest base metal deposits in NSW (Figure 5). The mining fields at Cobar have been a source of immense mineral wealth for 140 years since the discovery of the Great Cobar copper deposit in 1869.

The Cobar deposits are a unique class of large, and commonly high grade, base and precious metal deposits hosted by marine sediments. The typical Cobar-type deposits consist of multiple lenses in steeply plunging, pipe-like clusters. They have great depth extent but only a small surface footprint and hence are very small surface targets (typical strike lengths 250-300 metres).

However, the deposits have a number of unique characteristics which assist geologists in exploring for mineralisation

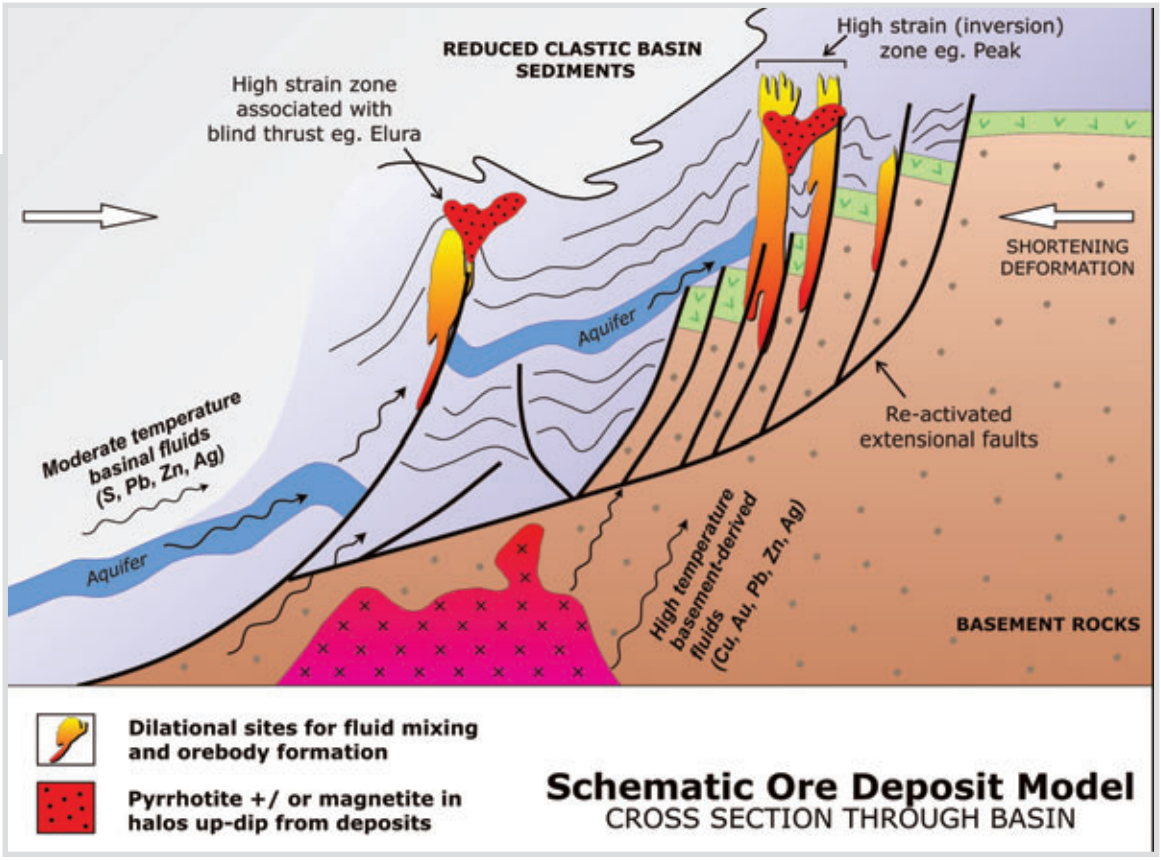



**Figure 6:**

Cobar Deposit Model (modified from a 1998 paper by KC Lawrie and MC Hinman)

hidden below cover. From an exploration and targeting view, one of the most important of these is the iron sulphide alteration, which forms extensive disseminated envelopes of mainly pyrrhotite, around the deposits (Figure 6). These envelopes can persist hundreds of metres away from, but are commonly directly linked to, economic mineralisation and provide a much larger 'footprint' for exploration to target using modern geophysical techniques.

Within the Cobar Basin, exploration companies have successfully used both ground and airborne magnetics

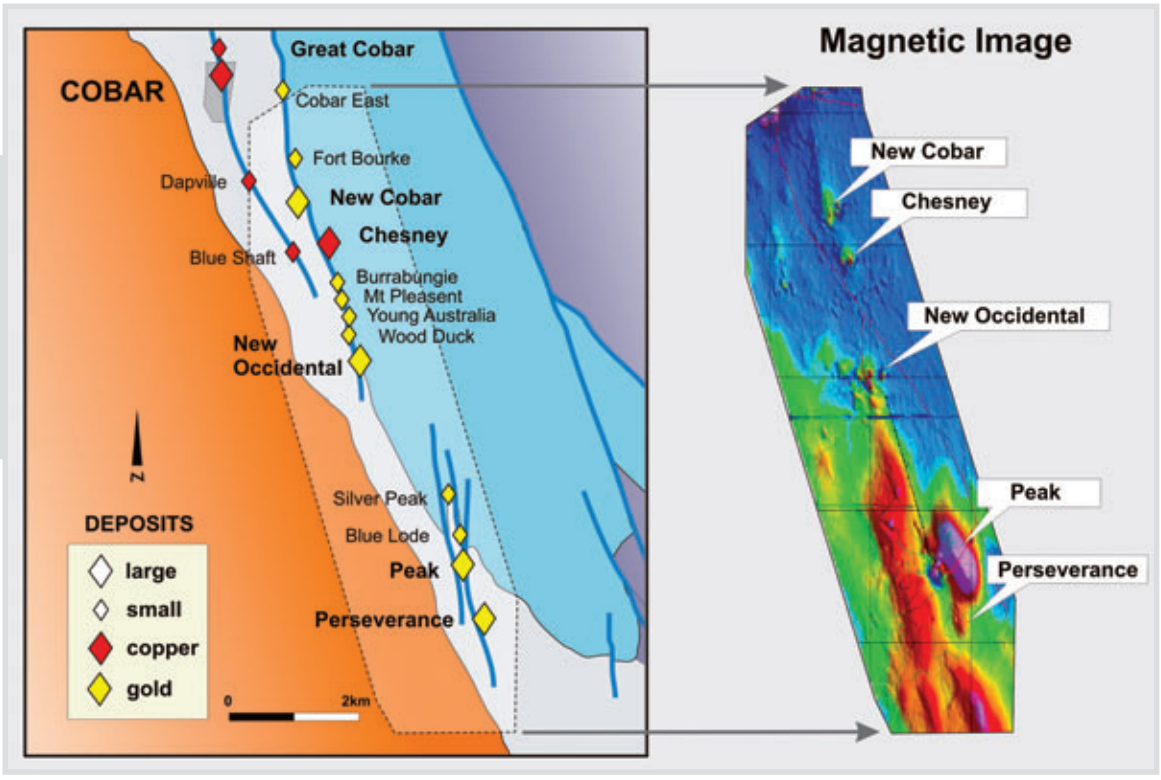



**Figure 7:**

Geology and Magnetic Responses of Peak-Perseverance Deposits (warmer colours denote greater magnetic intensities)

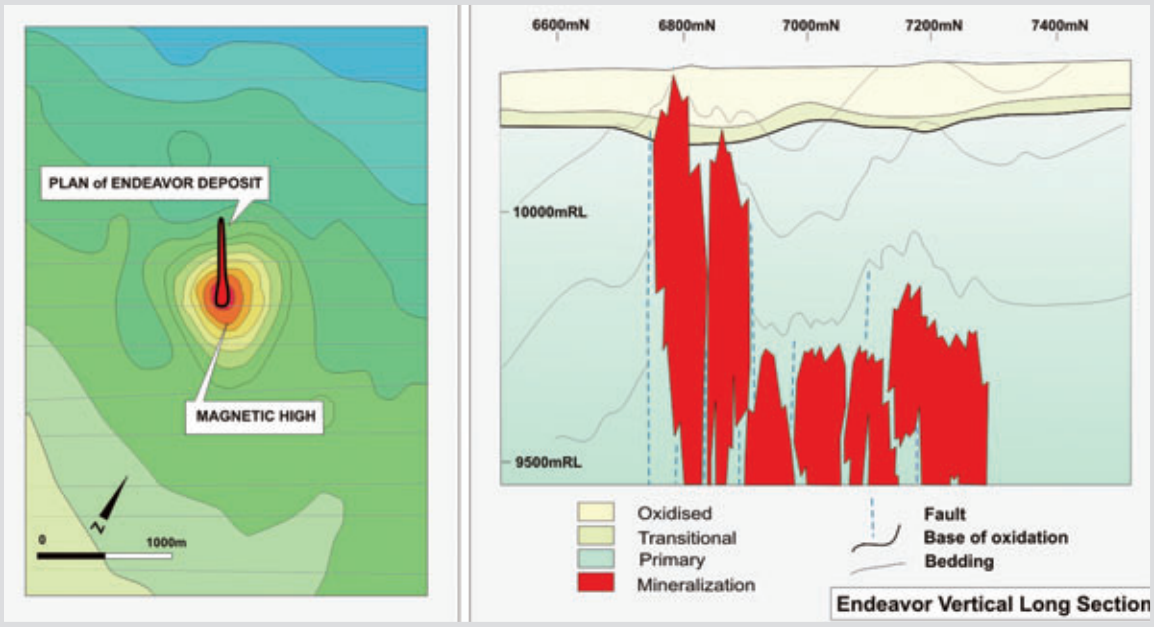



**Figure 8:**

Endeavor Magnetics and Long Section of Mineralisation

to search for these pyrrhotite-rich zones and economic mineralisation. Individual mineral deposits such as The Peak, New Occidental and Endeavor deposits are commonly more magnetic than the surrounding country rocks and are readily identifiable in these surveys.

A classic example of this is the Peak-Perseverance mineral system which has produced significant gold (plus base metal credits) since 1992. The mineralisation has well defined pyrrhotite haloes which generate strong magnetic responses within less magnetic host rocks as clearly highlighted in Figure 7.

The successful use of magnetics in exploration is illustrated by the Endeavor (Elura) deposit, which was discovered in 1973 by an airborne magnetic survey. The top of the ore zone barely reaches the surface (Figure 8), but the pyrrhotite content of the ore body was sufficient to generate a classic 'bulls-eye' magnetic anomaly. Less than 150 metres below the surface the main ore zone pipe ballooned to more than 100 metres in diameter and was one of the richest lead-zinc-silver deposits mined in Australia during the 20th century. To date over 42 million tonnes of +14% lead-zinc (+silver) mineralisation has been defined to more than 1.5 kilometres below the surface.

Thomson Resources' Cobar-style targets are located in the west and central part of the region (Figure 9). To date five magnetic anomalies have been tested with encouraging results.

## Orogenic gold

Vein, stockwork and 'disseminated' gold deposits are very common within orogenic belts, providing a large percentage of total historical world and Australian gold production. Deposits can range from single small quartz veins to large and commonly high-grade, fault/shear controlled systems containing in excess of 2-5 million ounces of gold. Examples of such deposits are numerous and include the Tomingley-Caloma system in NSW, the Gympie deposit in Queensland and the slate-belt deposits of Victoria (e.g. Bendigo, within the Lachlan Fold Belt).

Thomson Resources has a number of orogenic gold targets, in particular the Ares prospect (see below) which is ready for drill testing.

## Porphyry copper-gold

Known deposits within the Lachlan Fold Belt include the world class Cadia/Ridgeway copper-gold system and the Northparkes copper deposits. These deposits are classic porphyry systems, very large (up to millions of tonnes of metal) with moderate grades, and mineralisation associated with Silurian alkaline and calc-alkaline intrusions. These represent a style of deposit found throughout the world, particularly in Chile (e.g. Escondida), North America (e.g. Pebble) and within the Tien Shan Orogenic Belt in China (e.g. Duobaoshan).

Thomson Resources has three areas considered prospective for the porphyry copper-gold style in the northeastern part of the tenements – at Warraweena, Mulga Tank and Tringadee (Figure 9), where alteration and mineralisation have been intersected in drilling. Prospective features encountered in exploration work include arc-type volcanic rocks, copper mineralisation up to 1%, and albite/pyrite alteration.

## Magmatic nickel

Nickel deposits are often associated with mafic or ultramafic intrusions, and many appear to be derived through interaction of these magma types with sulphidic sediments. Most Australian deposits are in the western

**Figure 9:**

Key Project Types and Target Localities.
**1** Cuttaburra B, **2** F16, **3** F3, **4** F17, **5** Cuttaburra A, **6** F14, **7** Ares, **8** F08, **9** Warraweena, **10** Pirillie, **11** Tringadee, **12** Mulga Tank

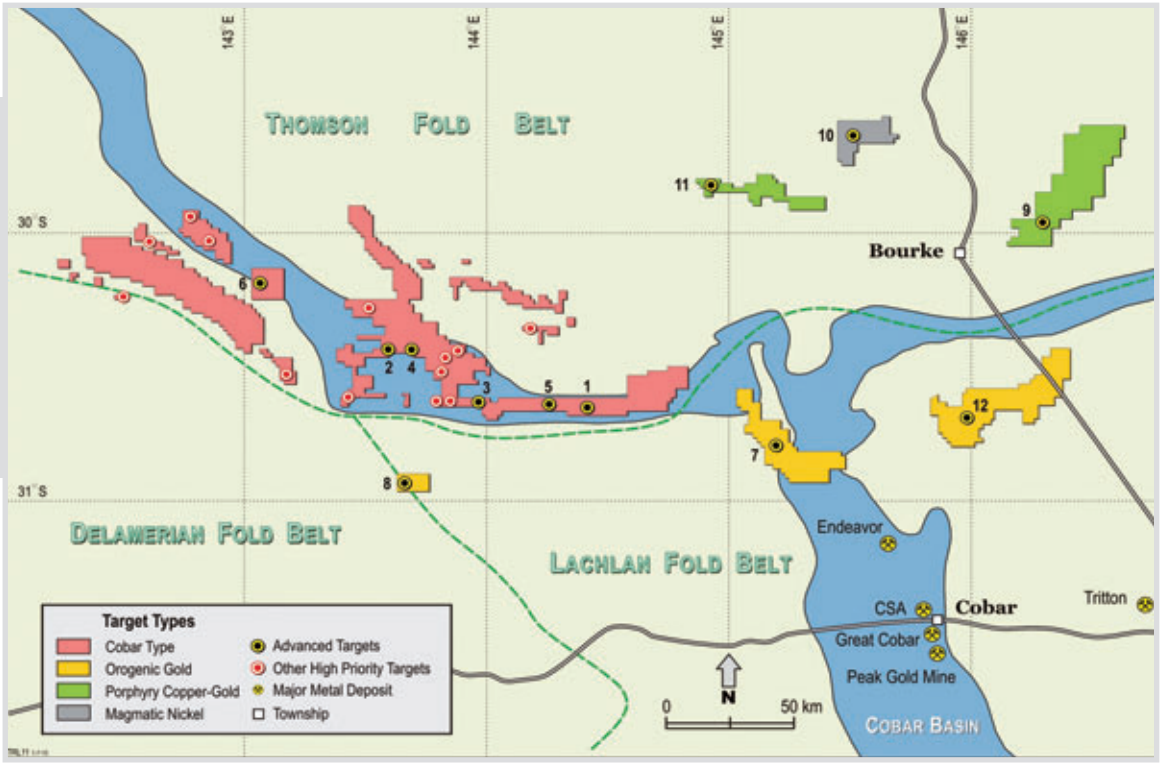



**Figure 10:**

Thomson Resources Project Pipeline

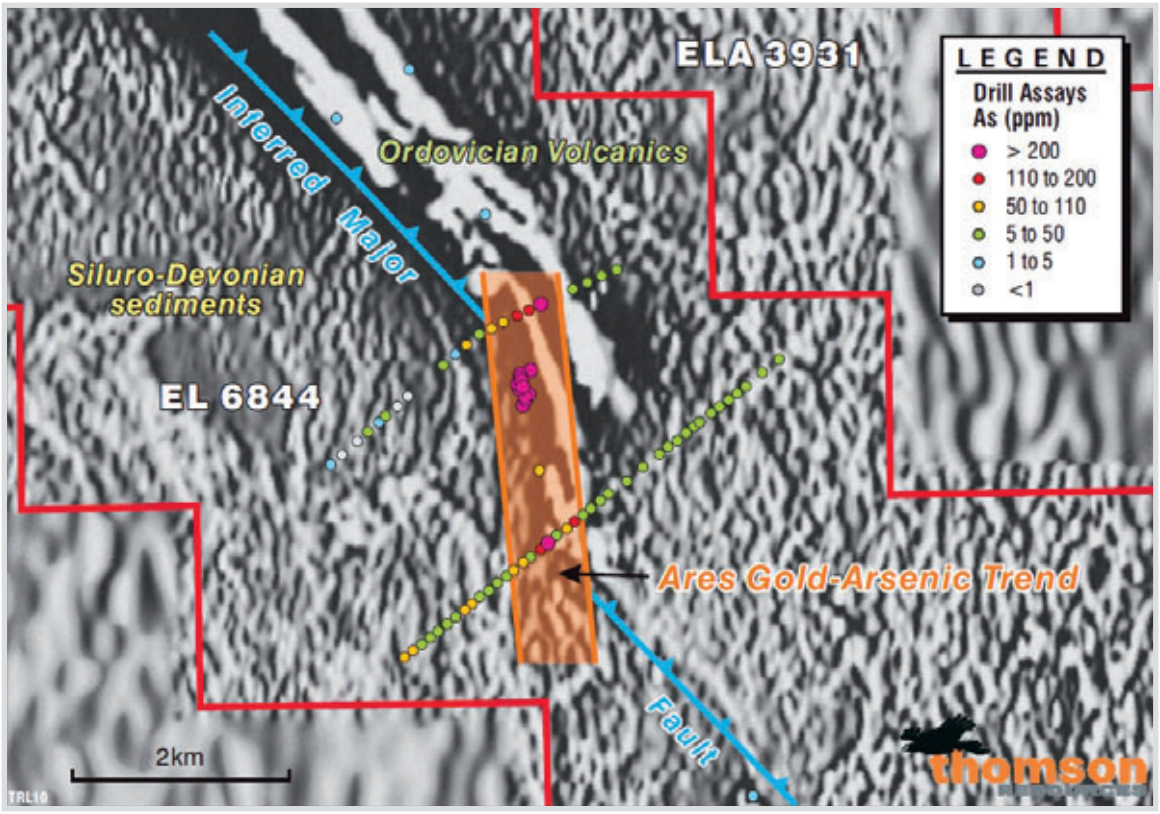



**Figure 11:**

Ares Prospect Drilling and Interpreted Geology Over Magnetics

part of the continent and are Archaean or Proterozoic in age. However, the discovery of the Devonian Avebury deposit in Tasmania (1998) and Pembroke prospect in southeast Queensland (2008), highlighted the potential for this type of deposit within eastern Australia.

Minotaur intersected the nickel sulphide mineral pentlandite in drilling at Pirillie (see below) which is considered highly anomalous and an indicator of the potential for the discovery for nickel deposits in the vicinity.

### Volcanogenic massive sulphide copper-lead-zinc

This style has been an important global source of copper-lead-zinc metal production (e.g. Noranda, Canada and Kuroko, Japan) and is well represented in NSW, including deposits such as Captains Flat and Woodlawn (+20 million tonnes @ ≈ 15% copper-lead-zinc + gold). VMS deposits are normally located within felsic to intermediate volcanics, and are potentially present within the TFB as they are represented in the Cobar Basin by deposits such as Mayday, Overflow and Yellow Mountain.

To date, Thomson Resources has not identified any particular area that may be prospective for VMS style deposits. However, there are a number of areas under title that contain favourable host rock sequences.

## 4.5 Drilling Targets

Thomson Resources has an extensive inventory of exploration projects (see Figures 9 and 10) ranging from advanced drilling targets through to high priority targets and emerging projects. Thomson Resources has selected eight prospects of different target types for immediate drill testing. Several other prospects have been identified as high priority targets that may generate drilling proposals. Thomson Resources also has within its pipeline of projects a substantial number of emerging projects that will require further assessment before progressing to the next stage (Figure 10).

### Advanced Drilling Targets

#### Ares Prospect (EL 6844, ELA 3931)

The Ares gold prospect is one of Thomson Resources' key targets and will be drilled shortly after Quotation. It is interpreted as an orogenic gold system and lies in the southeast part of EL 6844, about 100 kilometres northwest of Cobar.

High gold values have been obtained in previous exploration from a series of quartz veins hosted in Cobar Supergroup rocks.

The prospect was first sampled by Geopeko Limited in 1990, yielding rock chip samples with up to 2.25g/t Au. In 1995, Ausmindex NL (now Ausmindex Pty Ltd) dug eight costeans and obtained very high gold values up to 152g/t Au in a 2m channel sample, with visible gold noted in quartz veining. Later, shallow, RC drilling by Ausmindex NL, Plutonic Resources Limited and Homestake Mining Company Limited recorded a number

of intersections, with the best including 8m @ 5.81g/t Au (LORC004) and 3m @ 6.99g/t Au (95RCL03) in the centre of the prospect area.

Subsequent traverse aircore drilling by Newcrest Mining Limited defined gold and arsenic anomalism one kilometre to the north and south of Ares suggesting that there is a large alteration system present, possibly associated with a bend in the major fault that separates Ordovician magnetic volcanic rocks in the east from Siluro-Devonian Cobar Supergroup rocks in the west (Figure 11).

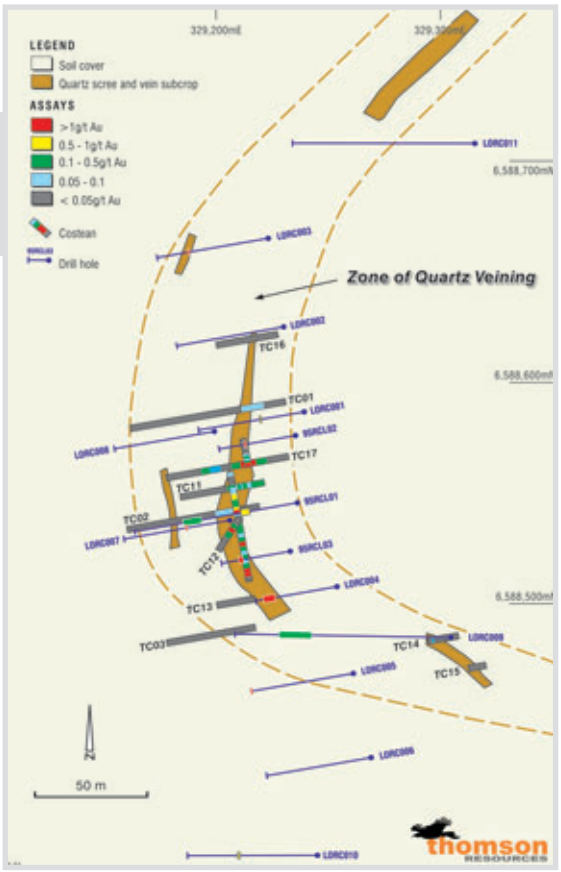



**Figure 12:**

Ares Prospect Geology and Drilling

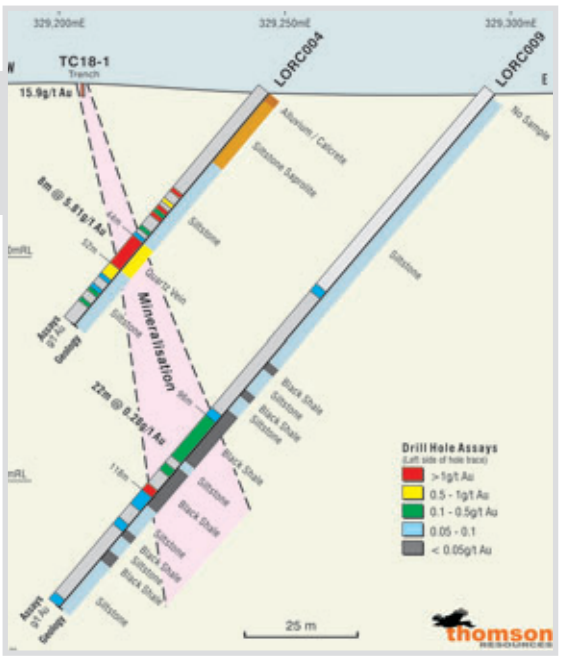



**Figure 13:**

Ares Prospect Section 6588500mN

Within the prospect, two mineralised zones have been interpreted – most intercepts occur in the main zone which trends roughly north-south and crops out at surface as resistant quartz veins hosted in siltstone. A lower zone has been intersected in 95RCL01 and LORC10 (Figure 12) but this does not appear to have a surface expression.

In cross section (Figure 13), the main zone has variable gold grades, in part due to a likely nugget effect and also to varying host lithologies. Good grades occur in quartz (LORC004), but low grades are recorded in black shale-hosted mineralisation which lacks quartz (LORC009).

In long section (Figure 14) the distribution of intercepts shows that this prospect is under-drilled. In fact, the whole anomalous system has yet to be defined over the two kilometre trend extending north and south of the outcrop zone.

A comprehensive aircore or RAB drilling program will be conducted to define the system, with RC and diamond drilling planned to test it at depth.

### Cuttaburra Trend (ELs 6224, 6631)

One of the primary types of target in the TFB is the Cobar-type deposit, characterised by a halo of magnetic pyrrhotite, mineral alteration and quartz-carbonate veining. The Cuttaburra area was one of the first to be identified with these characteristics. A detailed aeromagnetic survey has identified several discrete magnetic anomalies; similar to what may be expected over Cobar-type deposits, spread along a well defined, 50 kilometre long, east-west magnetic ridge (Figure 15).

This trend has been interpreted to be one of a number of secondary cross faults, including the Falcon trend as discussed below, that extend between major strike-parallel, northwest-southeast features which have been interpreted as transfer faults between the major basin extensional features, now reactivated as thrusts. As such, they potentially represent important pathways for fluids to deposit base and precious metal mineralisation as has occurred within the Cobar Basin.

#### Cuttaburra B

Of the discrete magnetic anomalies on the Cuttaburra Trend (Cuttaburra A and Cuttaburra B, F23, F5, F6, and F3), Cuttaburra B (within EL 6224) was one of the first tested in the original exploration by Compass Resources. Compass Resources drilled a single hole (CRCDC01) into the Cuttaburra B magnetic anomaly intersecting a sequence of siltstones and sandstones similar to that found in the Cobar Basin as well as multiple zones of alteration, quartz-carbonate and pyrrhotite veining and

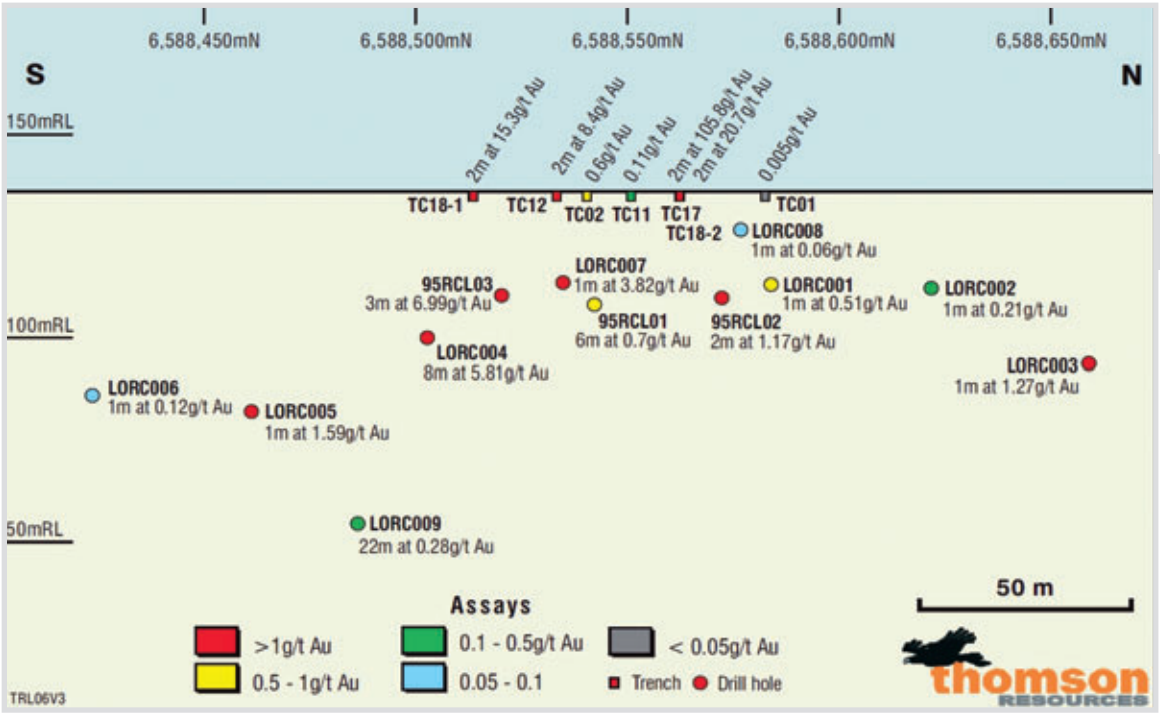



**Figure 14:**
Ares Prospect Long Section

minor zinc and copper sulphides. The largest massive pyrrhotite vein recorded was 40 centimetres wide, with pyrrhotite also occurring throughout the core as disseminated and stringer veins.

A broad zone of anomalous silver (28m at 7.4g/t Ag from 132m) with values up to 39.6g/t Ag was intersected. In addition, lower levels of base and precious metals (such as 1m at 1,100ppm Cu and 1m at 1,820ppm Zn) are present over various wide intervals of the hole. This is interpreted to represent a wide hydrothermal alteration zone, possibly in proximity to a Cobar-type mineralised body.

An analysis of the rock properties of the drill core together

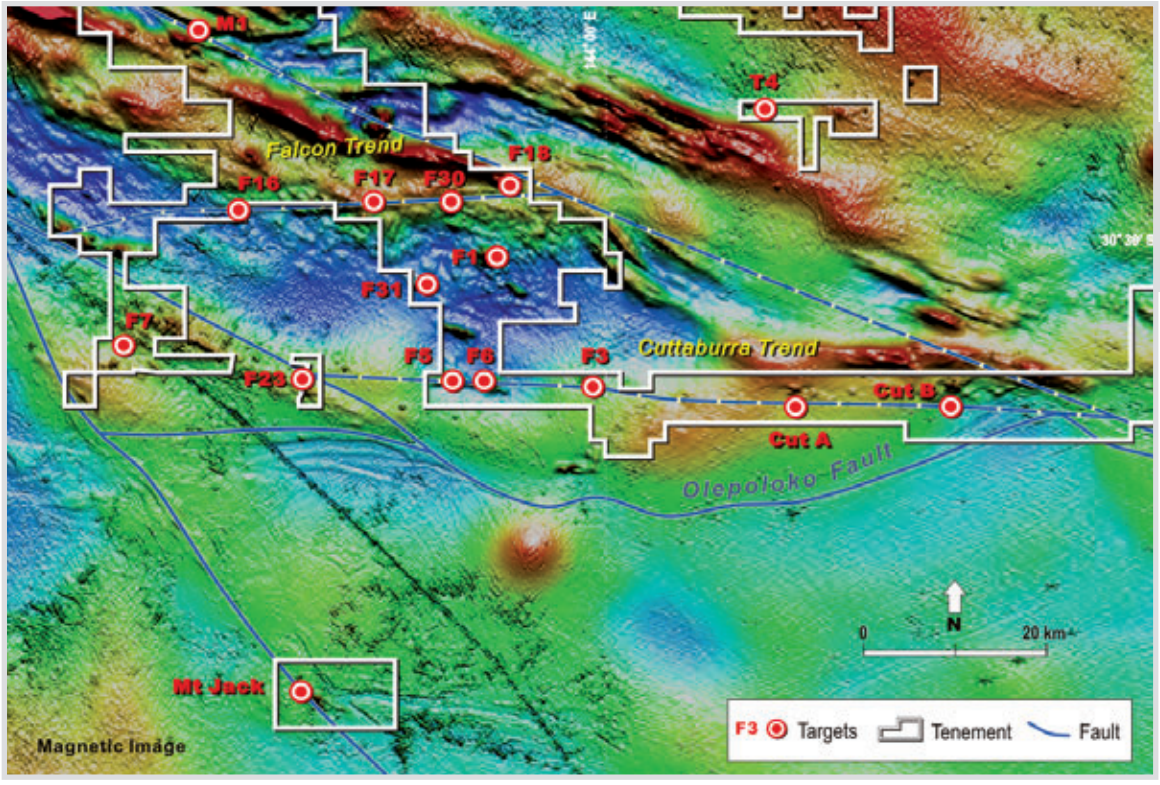



**Figure 15:**
Prospects (Including Cuttaburra) Over Magnetics

with geophysical modelling indicates that the drill hole CRCDC01 did not test its target. The subsequent geophysical modelling predicts a substantially more magnetic body, which may be associated with higher levels of base metal mineralisation, below the current drilling.

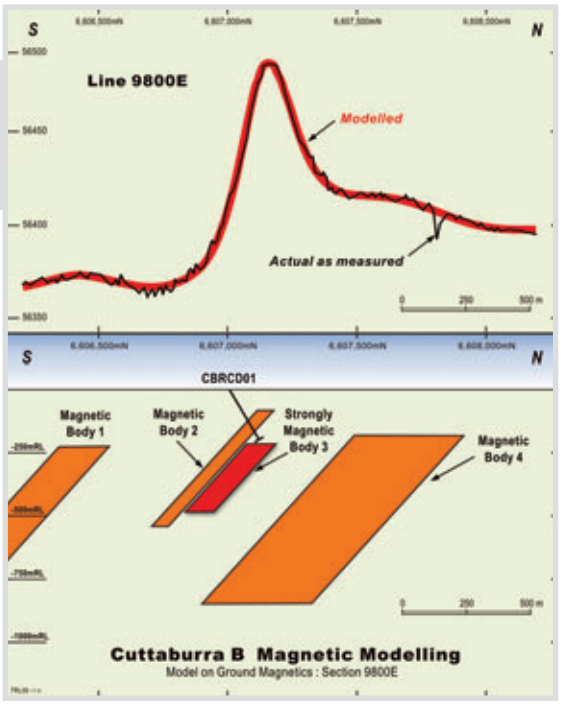



**Figure 16:**

Cuttaburra B Magnetic Model Section

The modelling suggests additional magnetic targets may be present. In particular, a large, weakly magnetic body is present to the north of CDRDC01 (Figure 16). Induced polarization (IP) work carried out after the hole was drilled picked up a chargeability anomaly in the same general position as the easternmost modelled magnetic body, suggesting that this body may be at least in part composed of sulphidic material.

This prospect is one of Thomson Resources' top priorities for drill testing.

### Cuttaburra A

The Cuttaburra A prospect lies 17 kilometres west of Cuttaburra B and is on the same subtle east-west trending magnetic ridge, that extends across EL 6224 (Figure 15). It is marked by a prominent magnetic anomaly of similar dimensions to Cuttaburra B and a distinct IP anomaly, stronger than that at Cuttaburra B.

As it is a coincident magnetic and IP anomaly on a mineralised trend, it is a priority target for drill testing.

### Anomaly F3

F3 is a 'bulls-eye' anomaly but in detail appears best explained by multiple magnetic sources associated with basement faulting. This is confirmed by interpretation of the seismic reflection line which passes 3 kilometres to the east of F3, and shows a south-dipping fault breaking surface on strike from the prospect. This fault links into

**Figure 17:**

Pyrrhotite vein in F16 drill core

the crustal scale Olepoloko Fault 10 kilometres to the south (Figure 15), which may have acted as a pathway for fluids to deposit base and precious metal mineralisation.

Anomaly F3 was tested with a single drill hole which intersected a basement interval of 58 metres of Siluro-Devonian sediments containing a Cobar-type alteration system with disseminated and vein pyrrhotite throughout the interval, and lesser pyrite and trace chalcopyrite. There are anomalous values recorded for copper (324ppm), gold (0.1g/t), silver (0.3.2g/t) and tungsten (890ppm). Logging of the magnetic properties of the core indicates that the only magnetic mineral intersected is pyrrhotite. Detailed geophysical interpretation suggests that the main magnetic target was not intersected in the hole and that if material of the magnetic susceptibility found in drilling is the cause of the anomaly then the system must be very wide, possibly hundreds of metres or, alternatively, narrower and containing zones of more massive pyrrhotite.

Further inclined drilling is proposed to test the full extent of the magnetic anomaly for the possibility of massive sulphide mineralisation.

## Falcon trend (ELs 6630, 6664, 6720, 6721)

The Falcon trend is another of the east-west, secondary cross structures that traverse the area between major faults (Figure 15). A number of discrete, commonly 'bulls-eye' magnetic anomalies are apparent along the trend. From west to east these are F16, F17, F30 and F18. F16 and F17 were both drilled by Minotaur and the results have enhanced their prospectivity and accordingly further drilling is proposed. F18 and F30 are priority targets and will be considered for drilling in future campaigns.

### Anomaly F16

Two holes have been drilled on this target without adequately explaining the anomaly. The anomaly shape is more complex than others and lies close to an interpreted curved east-west fault (Figure 15).

Drill hole F16D01 intersected a short basement interval of 24 metres of Siluro-Devonian sediments with minor veining and sulphides. One metre assayed high silver (70.5g/t) and tungsten (389ppm). The second hole F16D02 intersected a basement interval of 118 metres of Siluro-Devonian sediments containing a Cobar-type alteration system with vein and massive pyrrhotite (Figure 17) and minor chalcopyrite.

The quantity of quartz, carbonate and pyrrhotite veining is very significant and in places is an infill to brecciated siltstone and sandstone.

Logging of the magnetic properties of the core indicates that the only magnetic mineral intersected is pyrrhotite but not in sufficient quantity to account for the magnetic anomaly.

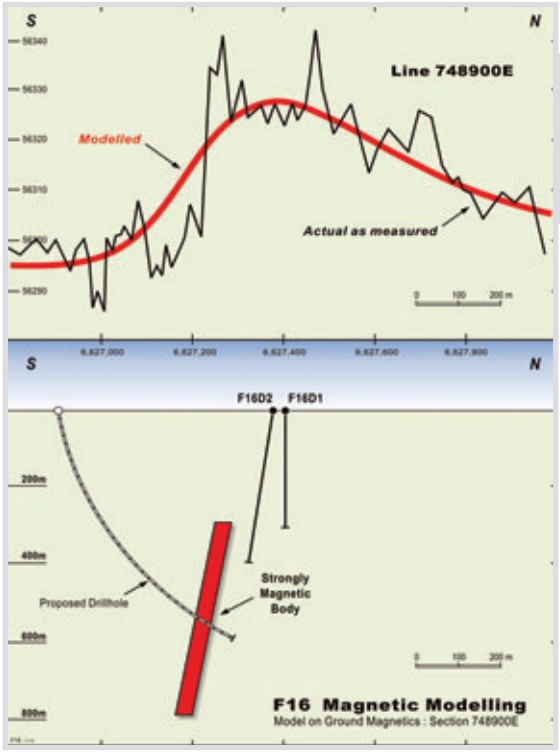



**Figure 18:** Magnetic Anomaly at F16 with Modelled Magnetic Body

Geophysical modelling indicates that the causative magnetic body was not intersected by either drill hole (Figure 18) and anomaly F16 will be redrilled.

### Anomaly F17

The F17 anomaly also lies close to the same curved east-west fault as F16 (Figure 15). A single drill hole intersected a basement interval of 48 metres of Siluro-Devonian sediments containing a Cobar-type alteration system with narrow zones of disseminated and vein pyrrhotite and trace chalcopyrite.

Modelling indicates that the hole was not deep enough to intersect the main causative body, and F17 will be redrilled to fully test both the anomaly and the alteration system.

### Anomaly F14

F14 is one of the strongest and most prominent 'bulls-eye' anomalies in the region (Figures 9 and 19). It lies in a more general circular 'low' in the aeromagnetic data, suggestive of an underlying intrusive body. Hole F14D01 intersected a basement interval of 114 metres of Siluro-Devonian sediments. Preliminary geological logging suggests proximity to a mineralised intrusion with the occurrence of minor galena (lead up to 657ppm for 1m), sphalerite (zinc up to 748ppm for 1m), and fluorite. This mineralisation, together with the strongly anomalous arsenic values (up to 3,570ppm), indicates the passage of hydrothermal fluids. Only minor magnetic material was intersected in the hole. The cause of the anomaly could be deeper or to one side of the drill hole.

Further drilling is required to test the magnetic source.

### Mt Jack (EL 6668)

This is one of the most prominent magnetic anomalies in the region (Figures 9 and 20). It is a 'bulls-eye' anomaly, slightly elongated northwest-southeast and occurs close to the major north-northwest trending structure of the Mount Jack Fault on the south side of the Mount Jack gravity high. It is unusual when compared with the anomalies to the north as it lies in a region of Middle Devonian rocks south of the Olepoloko Fault.

F08D01 was drilled to test the anomaly but failed to reach the target (Figure 20) owing to drilling problems. However, an intersection of one metre at 0.9g/t Au was recorded in a conglomerate near the base of the hole (from 159 metres). This is regarded as highly anomalous and indicative of a nearby mineralised source.

This anomaly will be re-drilled with inclined drilling as a matter of priority.

## High Priority Targets

### Warraweena (ELs 7252, 7253)

Warraweena is a porphyry copper-gold target in the northeast part of the tenement package (Figures 9 and 21). Newcrest Mining Limited ("Newcrest") drilled three holes at this prospect following up previous drilling by Mid Eastern Oil Limited in 1965 (Warraweena no. 1). Newcrest followed up intersections of copper up to 1% reported from Warraweena no. 1, but no mineralisation was intersected possibly due to the greater depth of the Mid Eastern hole (332m) versus the Newcrest holes (148m and 169m).

All holes intersected a basement sequence of very fine grained, basaltic to andesitic lavas and volcaniclastic units. Geochemistry carried out by the Geological Survey of NSW suggests calc-alkaline basaltic andesite composition, with island arc affinities, similar to Ordovician rocks of the Macquarie Arc which host the major porphyry copper-gold deposits.

Thomson Resources' plan for this area is to acquire detailed aeromagnetic coverage and interpret the geological framework. Geochemical surveys may also be used to target further drill testing.

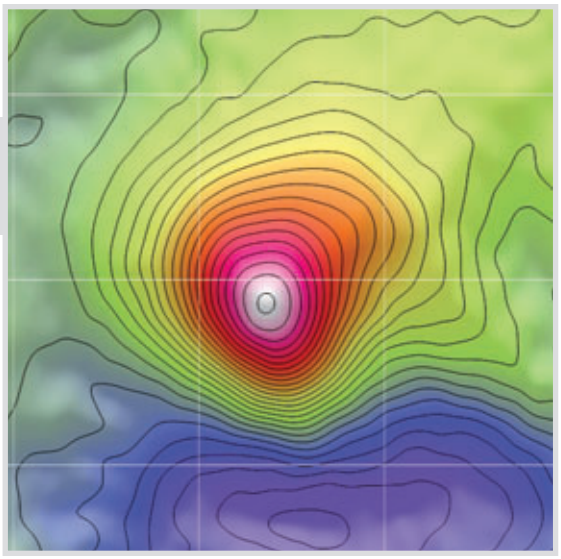


**Figure 19:**
Magnetic anomaly F14

### Tringadee (EL 6850)

EL 6850 lies close to Bourke (Figures 3 and 9) in an area containing a number of strong magnetic anomalies, many of which are interpreted as magnetic granitoid intrusions. One of these was intersected in hole TR1D01, drilled in the north-eastern part of the project area, and was identified as microdiorite, typical of a low to intermediate-K (potassium) calc-alkaline intrusion.

Within the hole, significant alteration is present in the form of albite-sericite-carbonate-leucoxene-pyrite, which may indicate the presence of porphyry-style alteration.

Similar to Warraweena, Tringadee will be included in the proposed detailed aeromagnetic coverage and assessed for drill targets.

### Pirillie (EL 6851)

The Pirillie anomalies (Figure 22) are associated with an east-northeast trending magnetic zone that extends for over 200 kilometres. Hole P01D01 drilled by Minotaur intersected metamorphosed ultramafic rocks, originally pyroxenites and dunites and now converted to a tremolite-carbonate-clinopyroxene-olivine assemblage, as well as serpentinite. Disseminated pyrite was observed throughout the ultramafics as well as the nickel sulphide mineral pentlandite, associated with anomalous Ni values to 4,210ppm (at 311m depth). There is also weak platinum-palladium (PGEs) anomalism – to 0.014 and 0.010g/t respectively, as might be expected with the presence of nickel sulphides.

The association of ultramafic rocks, nickel sulphide and PGEs suggests the potential for magmatic nickel deposits.

### Mulga Tank (EL 6783, ELAs 4043, 4044)

The Mulga Tank anomaly occurs within sediments of the Ordovician Girilambone Group, in an area interpreted as being part of the Lachlan Fold Belt (Figures 3 and 9). There are gossanous outcrops spread over 500 metres on a northeast-southwest trend in quartz-veined schists, sandstones and possible volcaniclastics, with pyrrhotite, pyrite and chalcopyrite being identified.

The trend was tested by two diamond holes in 1971 by North Broken Hill Ltd with chalcopyrite logged over a 40 metre length from 129 metres to the end of the hole in MG1 and over a 130 metre length from around 150 metres to the end of hole in MG2. The assays were fairly low, with a maximum of 650ppm Cu in MG1 and 350ppm Cu in MG2.

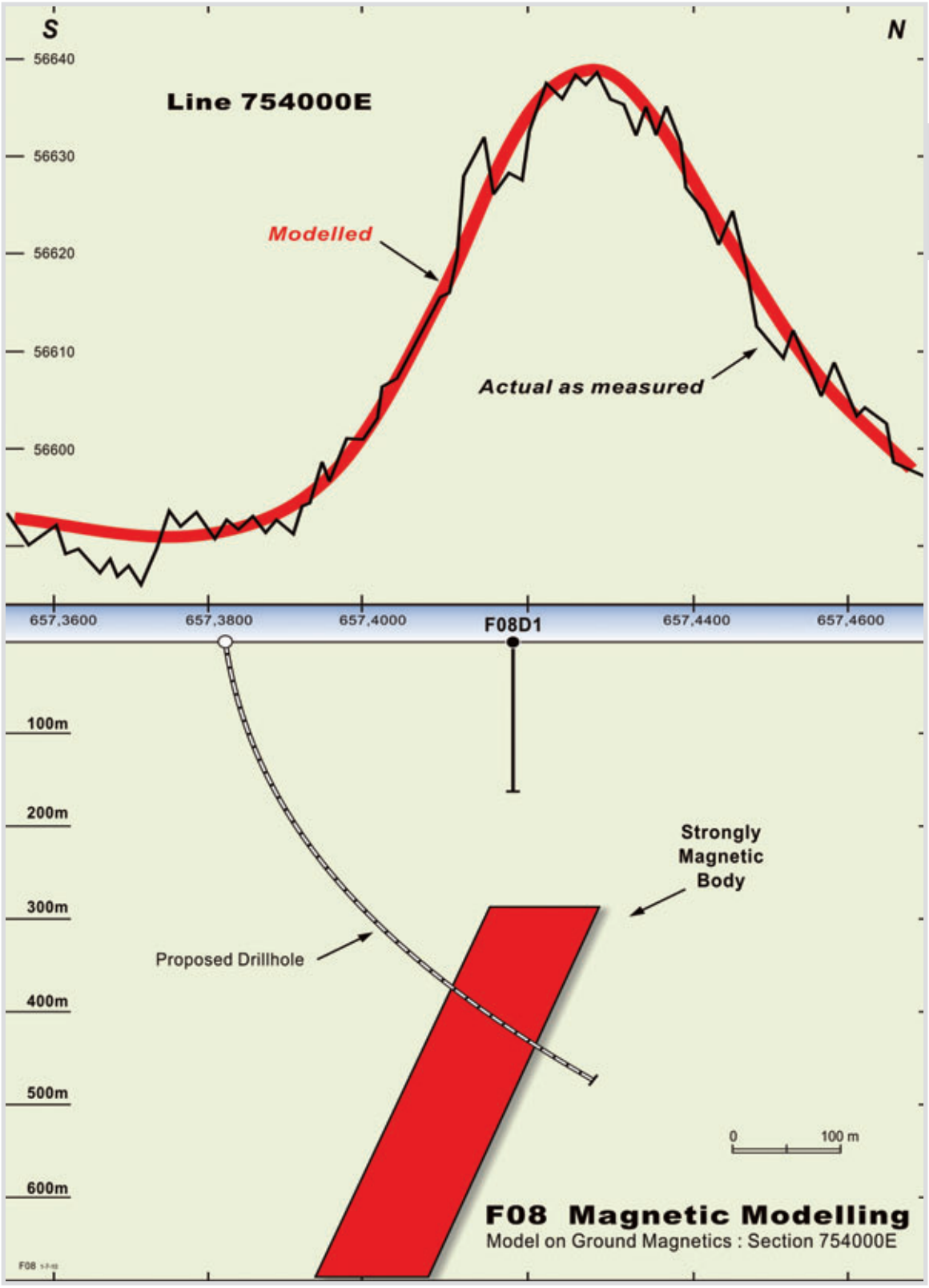
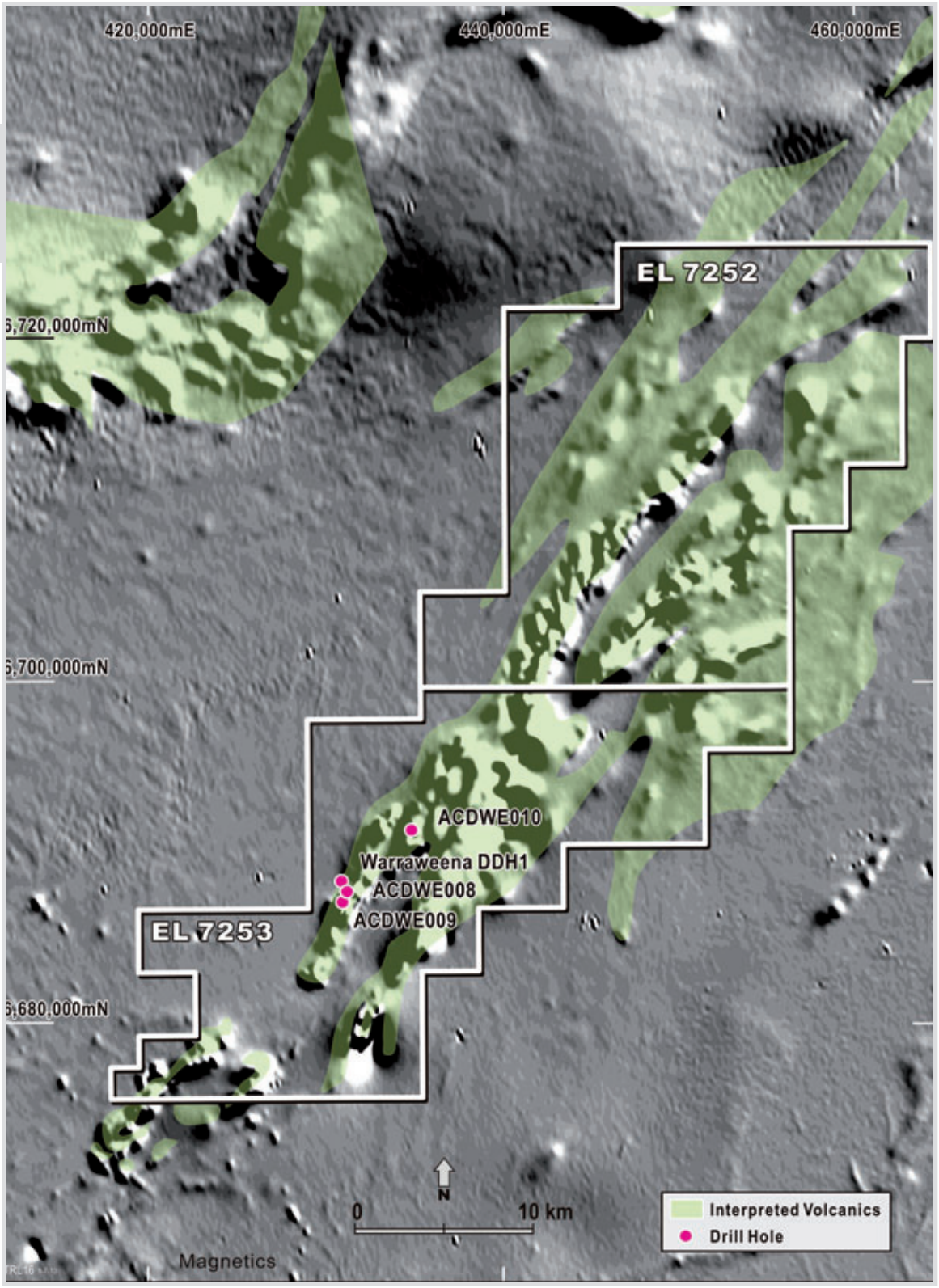



**Figure 20:**

Magnetic Anomaly at F8 showing Modelled Magnetic Body

**Figure 21:**

Warraweena Geology and Drilling Over Magnetics



Thomson Resources considers that, based on the wide intersections of chalcopyrite in drilling, and the large extent of gossanous material at surface, this zone has the potential to host a mineral deposit. Planned work includes systematic RAB/aircore drilling to define the mineralised system, with follow up geophysics for RC and diamond drill testing.

Based on old gold workings 10km to the west the interpreted target type was initially 'orogenic gold'. However, the recent discovery of porphyry copper-type alteration by YTC Resources Ltd, just 20km to the northeast of Mulga Tank has underlined the general prospectivity of the area. Thomson Resources has applied for two Exploration Licence applications covering the northeast strike of the Mulga Tank prospect (ELA 4043) and another chalcopyrite-bearing gossan at Knightvale (ELA 4044).

### Emerging Projects

In addition, analysis of the geophysical and geological information compiled to date has resulted in the selection of several further targets for future exploration. Many are 'bulls-eye' magnetic anomalies similar to those described above, but this category also includes other types of magnetic anomalies, IP anomalies and even old gold workings in ELs 6844 and 6783.

## 4.6 Summary

In summary, the exploration has indicated that:

- Basement lithologies intersected in a number of the project areas appear to be equivalent to the Cobar Basin sediments that host major ore deposits near Cobar.
- Rocks in drill core at five of the anomalies (at Cuttaburra B, F3, F14, F16 and F17) display similar alteration patterns (that is, chlorite and sericite alteration and silicification) and stockwork vein development similar to that seen near the Cobar deposits.
- The drilling in these same five areas also intersected intervals of disseminated to vein pyrrhotite, one of the key markers for the potential presence of Cobar-type ore deposits in proximity to the intersections.
- Magnetic logging of the core at the Cuttaburra B, F3, F14, F16 and F17 prospects has shown that pyrrhotite is the dominant sulphide and the only magnetic material intersected, yet none of the holes intersected sufficient pyrrhotite to account for the surface magnetic anomalies. This indicates that substantial volumes of pyrrhotite may exist at these prospects, but are as yet untested by drilling.
- Drilling also recorded elevated geochemistry within the basement rocks including high silver (up to 71g/t), zinc (up to 0.24%) and tungsten (up to 0.4%) as well as elevated gold, bismuth, arsenic, lead and copper values signifying that metalliferous, hydrothermal systems of the type needed to generate ore deposits have been operative in the area.
- All holes have confirmed that the prospective basement is at a reasonable depth (80 - 280 metres) for exploration.
- There are numerous other magnetic anomalies within the tenements that have not been fully assessed and provide opportunity for future exploration.

**These results strongly support Thomson Resources' area selection criteria and assertions on the excellent prospectivity of the region.**

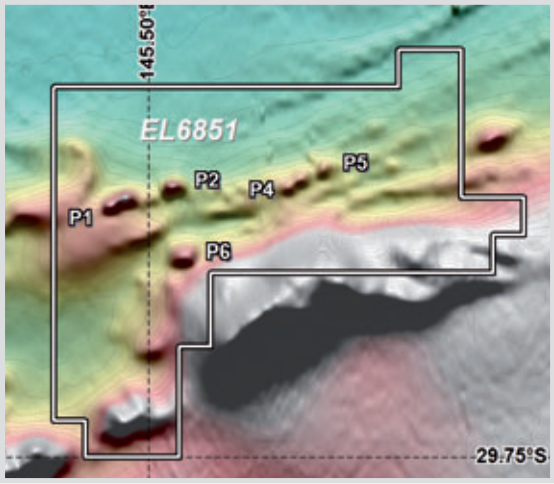



**Figure 22:**
EL 6851 with Pirillie magnetic Drilling took place at anomaly P2.

*Competent Person*

*The information in Sections 4 and 5 of this Prospectus that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Eoin Rothery who is a Member of the Australian Institute of Geoscientists. Mr Rothery is the Chief Executive Officer of the Company.*

*Mr Rothery has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a 'Competent Person' as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2004'.*

*Mr Rothery consents to the inclusion in this Prospectus of the matters based on his information in the form and context in which it appears.*

# 5 Work Program and Budgets

## Scenario 1 – $6 Million Raising

During the first 12 months of activity after Quotation, Thomson Resources' targeted capital raising of $6 million will be applied to an ambitious exploration programme that will initially involve drill testing of the eight advanced projects. Forecast drilling will total approximately 20,000 metres, including 5,000 metres of inclined diamond coring.

In addition, during the first year the Company will also progress assessment of its pipeline of projects in the high priority and emerging categories with the view to developing a further group for drill testing in year 2.

### Indicative expenditures based on the capital raising of $6 million

| Item | Year 1 ($) | Year 2 ($) |
|---|---|---|
| Drilling | 1,795,000 | 1,795,000 |
| Geophysics | 150,000 | 150,000 |
| Other Exploration (Geochemistry, geology etc) | 280,000 | 280,000 |
| IPO | 600,000 | 0 |
| Administration and corporate | 225,000 | 225,000 |
| Working capital | 250,000 | 250,000 |
| **Total** | **3,300,000** | **2,700,000** |

***Note:*** *the estimated remaining pre-Offer cash of $1,200,000 is not included within the proposed work programme; some may be applied to additional exploration including possible follow-up drilling should results from the initial programme prove encouraging, and a proportion may be retained as working capital and for new project work.*

As there is little outcrop of the prospective basement rocks in the Company's tenement areas initial prospect evaluation will rely heavily on geophysics. Geophysical techniques will be deployed to allow interpretation and mapping of the prospective basement rocks, as well as identifying targets for detailed follow-up and drilling. As drilling proceeds, the results will provide important feedback to the interpretation process and enhance knowledge of the underlying regional and prospect-scale geology. Aeromagnetics and follow-up ground magnetics have proved particularly valuable tools to date and will continue to be used. Consideration will also be given to the application of IP, EM and detailed gravity surveys where justified. Well targeted drilling will, of course, be the ultimate test of the geophysical targets.

In summary, the work program will consist of:

- Immediate drill testing of the eight advanced drilling targets detailed in Section 4 of this Prospectus. This will involve shallow, cased, rotary drilling to penetrate the cover rocks of the Eromanga Basin followed by diamond core 'tails' to test basement rocks and the source(s) of the magnetism. A comprehensive RC drilling programme is planned at the Ares prospect.
- Further acquisition, interpretation and modelling of the regional and recent ground magnetic data to assess the high priority targets. This critical step will consist of detailed and high quality analysis/interpretation of magnetic data to determine likely type, orientation, size and depth of the bodies causing the anomalous magnetic responses.
- Selective drilling of targets that emerge from the above work.
- Detailed susceptibility logging of core, geological logging, assaying and petrology.
- Further geophysics as appropriate, particularly down-hole EM, IP and possibly gravity.
- Generation of a conceptual model of the basin architecture/geology and tectonics. This will generate a useful framework for assessment and ranking key regions of interest for future exploration.
- Additional target generation and area selection work within the TFB to maintain the project pipeline.

In Scenario 1, total expenditure is forecast at $3.3 million per annum in Year 1 and $2.7 million in Year 2. This budget is inclusive of all administration and management costs. Included within this estimate is an allocation to assess, help secure and explore other quality projects that may become available.

## Scenario 2 – $4 Million Raising

Should the minimum capital raising of $4 million be achieved, the drilling programme would need to be less ambitious with the testing of the advanced drilling targets spread over Years 1 and 2. Similarly, application of geophysical techniques and modelling would be mostly restricted to advancing high priority targets to drill ready status.

### Indicative expenditures based on a capital raising of $4 million

| Item | Year 1 ($) | Year 2 ($) |
|---|---|---|
| Drilling | 1,005,000 | 1,005,000 |
| Geophysics | 130,000 | 130,000 |
| Other Exploration (Geochemistry, geology etc) | 140,000 | 140,000 |
| IPO | 500,000 | 0 |
| Administration and corporate | 225,000 | 225,000 |
| Working capital | 250,000 | 250,000 |
| **Total** | **2,250,000** | **1,750,000** |

## Scenario 3 – $8 Million Raising

Scenario 3 involves $2 million oversubscription and would allow a comprehensive drilling campaign of all advanced drilling targets as well as many high priority targets. It would also allow a more rapid assessment of emerging targets using geophysical techniques to rank for eventual drill testing. Although the Company will constantly be seeking additional exploration opportunities to add to its project pipeline, Scenario 3 will allow that flexibility to respond to such opportunities from day one.

### Indicative expenditures based on a capital raising of $8 million

| Item | Year 1 ($) | Year 2 ($) |
|---|---|---|
| Drilling | 2,445,000 | 2,445,000 |
| Geophysics | 440,000 | 440,000 |
| Other Exploration (Geochemistry, geology etc) | 290,000 | 290,000 |
| IPO | 700,000 | 0 |
| Administration and corporate | 225,000 | 225,000 |
| Working capital | 250,000 | 250,000 |
| **Total** | **4,350,000** | **3,650,000** |

# 6 Directors and Management

Thomson Resources Ltd will be led by a Board and management team with strong technical and commercial skills and significant experience in the Australian resources industry.

## Lindsay Gilligan PSM

**(Chairman, Non-Executive Director)**

*BSc (Hons), MAppSc, MBA, FAIG, FSEG*

Lindsay was recently the Director of the Geological Survey of New South Wales. Lindsay's career has focused on the geology of mineral resources, fostering mineral exploration and discovery in New South Wales with over 40 years experience as a geologist. Lindsay has had extensive experience in government geoscience, particularly in relation to mineral deposits. He has published widely on aspects of mineral deposits. Whilst Director he led the New South Wales State government's highly successful New Frontiers exploration initiative. Lindsay has been actively involved in promoting mineral exploration investment in New South Wales both nationally and internationally. He has a broad network across the exploration industry, government and research organisations, as well as internationally in both government and industry and has a high public profile in the minerals industry. Lindsay is currently a Director of Deep Exploration Technologies Cooperative Research Centre Ltd.

Lindsay was awarded the Public Service Medal in the 2008 Queen's Birthday Honours and, in the same year, was also awarded the Australian Mining magazine's "Most Outstanding Contribution to Australian Mining" award.

## Eoin Rothery (CEO)

*MSc, BA (Mod), MAIG*

Eoin was educated at Trinity College, Dublin, Ireland where he spent 10 years in the resources industry exploring for copper, zinc, uranium, gold and silver, before emigrating to Australia in 1989. Eoin then worked at the major base metal deposits of Broken Hill and Macarthur River as well as at the world class Jundee Gold Mine before joining Consolidated Minerals Limited in 2001. Eoin was in charge of the successful manganese exploration at Woodie Woodie, increasing both the mine life and resource base four-fold, as well as managing successful iron ore, chromite and nickel exploration.

Eoin was Managing Director of ASX-listed India Resources Limited ("IRL") from start up in October 2006 till early 2009. IRL was the first foreign company to start a mine in India since nationalisation in the 1970s. IRL's Surda copper mine broke a 50 year production record in its first full year of production.

## Greg Jones (Non-Executive Director)

*BSc (Hons), MAusIMM*

Greg is a geologist with 30 years of exploration and operational experience gained in a broad range of metalliferous commodities both within Australia and overseas. Greg has held senior positions in a number of resource companies including Western Mining Corporation Limited and Sino Gold Limited and his experience spans the spectrum of exploration activity from new project generation to grass-roots exploration through to resource definition, as well as mine geology, ore resource/reserve generation and new mine development.

Greg was awarded the Institute Medal for academic excellence whilst at university and is credited with several economic discoveries including the Blair nickel and the Orion gold deposits in Western Australia. He is the Managing Director of Thomson Resources' largest shareholder, PlatSearch NL and a director of ASX-listed explorer Eastern Iron Ltd and of Silver City Minerals Limited.

## Antonio Belperio (Non-Executive Director)

*PhD, BSc (Hons)*

Tony is a geologist with over 30 years experience in a broad range of geological disciplines including environmental, marine and exploration geology. He has held research positions at the Universities of Adelaide and Queensland, and was Chief Geologist with the South Australian Department of Mines and Energy prior to joining the Minotaur Group. He held the positions of Chief Geologist with Minotaur Resources Investments Pty Ltd and Minotaur Exploration Ltd from 1996 to 2007.

Tony is currently Exploration Director of Minotaur Exploration Ltd. He has been awarded the University of Adelaide's Tate Memorial Medal, the Geological Society of Australia's Stillwell Award in 1993, and AMEC's Prospector of the Year (jointly) in 2003.

## Ivo Polovineo (Company Secretary)

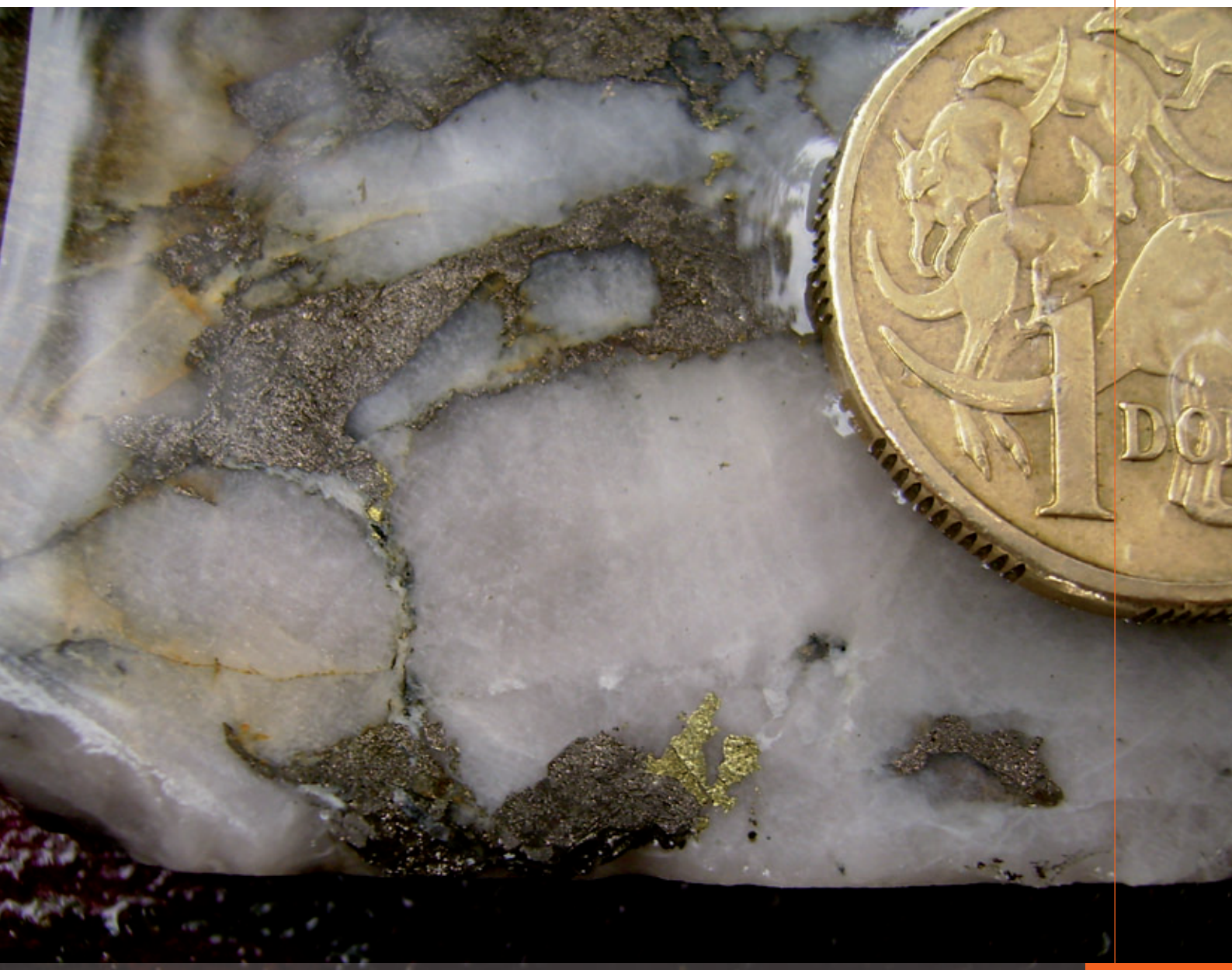
*PNA*

Ivo has over 30 years experience in corporate accounting, finance and company secretarial work for a diverse range of companies. He has spent the past 20 years in senior management roles in the resources sector including 7 years as company secretary (and 5 years as CFO) of Sino Gold Mining Limited (a former ASX 100 company) until December 2009. Ivo is currently also a Company Secretary of Lynas Corporation Ltd, an ASX 200 company and a director of ASX listed Galaxy Resources Limited.

## Management

The Company has retained PlatSearch NL to provide technical geological consulting, tenement management, statutory reporting services and geological management services, as well as provision of office facilities, administration support, computing equipment and expertise, library, map and database assistance.

In managing programmes and assisting in general exploration activities, Thomson Resources will also access other key senior technical staff working on contract. These professionals include Wendy Corbett, tenement administration and general exploration assistance, Greg MacRae, GIS and database specialist and Peter Buckley, project generation and prospect evaluation.



# Independent Geologist's Report

7


*John B Seeley*

*Geological Consultant*

**37 Alfred Road**

**Sutton, NSW 2620**

**Australia**

ABN 71 989 662 065


22 October 2010

The Directors
Thomson Resources Limited
PO Box 956
Crows Nest, NSW 1585

Dear Sirs

## Thomson Resources Limited – Independent Geologist's Report

### Introduction

This Independent Geologist's Report has been commissioned by the directors for inclusion in the Prospectus of Thomson Resources Limited, to be dated on or about 22 October 2010. The Prospectus is to be lodged with the Australian Securities and Investments Commission and is intended for distribution to interested parties for the purpose of raising $6,000,000 through an Initial Public Offering of 30 million Ordinary Shares at an issue price of $0.20 each with a minimum subscription of $4,000,000 and the right to accept oversubscriptions of up to $2,000,000. The Company intends to list the shares on the Australian Stock Exchange.

This report has been prepared in accordance with the Australian Securities and Investments Commission Policy Statement 75 and Practice Notes 42 and 43 which relate to independent expert reports to shareholders and to the independence of experts' reports. Standards are observed here as set out in the Valmin Code and Guidelines for Assessment and Valuation of Mineral Assets and Mineral Securities for Independent Expert Reports by The Australasian Institute of Mining and Metallurgy.

### Purpose and Scope

The purpose and scope of this report is to assess the technical information contained in the Prospectus, to verify independently, the sources of information and to make relevant comments on the integrity of that information and the work proposals contained herein.

## Summary of Conclusions

I have satisfied myself of the overall integrity of information contained in this Prospectus. It is a pertinent summary of the geological, technical and commercial information relevant to the prospectivity for base and precious metal deposits contained within twenty six Exploration Licences and three Exploration Licence Applications discussed in this Prospectus and held by or under the control of Thomson Resources Limited. Geological and broad based geophysical information relating to the project areas in northern New South Wales is available in general literature and in open-file company reports that relate to prior work in or adjacent to the tenements under the control of Thomson Resources.

Considerable background research has been carried out by the Directors of Thomson Resources to evaluate public information pertaining to work carried out within the region by previous workers, information supplied by tenement holders with whom Thomson Resources has joint venture agreements as well as on Exploration Licences held by the Company. Evaluation of this information, together with an in-depth study of the geology and types of mineralisation in the Cobar Basin and Lachlan Fold Belt, has provided insight into potential deposit types and the most suitable exploration methods required to locate similar deposits within the Thomson Fold belt.

Cost effective exploration proposals outlined in this Prospectus cover geographically extensive tenement areas. Most of the tenements lie beneath variable thicknesses of younger sedimentary cover. The exploration approach is to carry out more closely spaced aerial geophysical surveys and detailed ground geophysics over areas previously covered by broadly spaced flight lines. Detailed ground geophysical surveys in the form of magnetics, EM and IP are essential in refining drill target definition with the assistance of three dimensional geophysical models from the improved data sets. The proposed directional, angled drill holes to test refined geophysical models, should provide more definitive geological information than previous vertical holes.

Although a significant part of the project could be considered to be conceptual there is sufficient evidence in existing drill core to support the premise that there is good potential for the discovery of economic mineralisation in this northerly extension of the Cobar Basin and Lachlan Fold Belt. There remain a large number of partially tested and untested geophysical targets that require drill holes to address sources of geophysical anomalism. Recent drilling and geochemical studies on core have further enhanced prospectivity of the Thomson Fold Belt by either intersecting base and precious metal mineralisation or significant alteration assemblages associated with mineralisation.

The exploration proposals contained in this Prospectus are prioritised on the basis of current geological, geophysical and geochemical information to better define mineralisation in the most prospective projects. These priorities may change as additional geophysical and geochemical information from proposed surveys and drilling is obtained. Anticipated funds to be raised in this IPO should be sufficient to carry out cost effective exploration on the proposed priority targets and enable some additional targets to be added to the priority list.

## Comments on the Regional Geology

Apart from the Broken Hill region the majority of base and precious metal ore deposits in New South Wales are located within well defined geological elements such as faulted basin margins and volcanic arcs of the Lachlan Fold Belt. This fold belt is a significant structural unit extending from eastern Tasmania through Victoria into New South Wales and underlies much of the central part of the State. It is bounded in the north by the Great Australian Basin, concealed in the west by the Murray Basin and in the east by the Sydney Basin where it meets the New England Fold Belt. Geologically the Thomson Fold Belt appears to be an east-west trending flexure in a northwesterly extension of the Lachlan Fold Belt (Table 1 over page). Overlying northern parts of the Thomson Fold Belt are younger, gently folded sediments of the Cooper Basin and undeformed sediments of the Eromanga Basin (Great Artesian Basin).

Several periods of orogenic activity occurred throughout the region prior to early Carboniferous formation of the Lachlan Fold Belt neocraton. It is a complex orogenic belt formed at an evolving plate margin and comprises deep sea basins, submarine volcanism, volcanic arcs, back arc basins and shallow shelf environments. Each of these geological environments accumulates characteristic rock suites which may generate or host particular minerals or groups of minerals. Metal bearing fluids often migrate from their source rocks and concentrate in receptive host rocks or structural traps. This fluid migration and entrapment most frequently occurs during orogenic periods of folding, faulting, metamorphism and igneous intrusion. Economic deposits are formed when sufficient quantities of mineralised fluids are trapped in quantities accessible to cost effective mining. Where the essential geology is not exposed, geophysics and geochemistry are the principal tools used to track down environments which may host concentrated mineral accumulations; the Thomson Fold Belt is one such area.

Major structural, lithological and alteration mineralogy are associated with the formation of at least four ore deposit types. Based on these factors the potential for ore deposit types in the Thomson Fold Belt includes 'Cobar-type', orogenic gold, porphyry copper-gold and magmatic nickel deposits. The essential elements of the four deposit types have been identified

Table 1: Comparison of geological features of the Thomson and Lachlan Fold Belts.

| Feature | Lachlan (particularly the adjacent Cobar Basin) | Thomson Fold Belt | Conclusion |
|---|---|---|---|
| Rock types – sedimentary | Among others: deep-water siliclastic sediments | Deep-water siliclastic sediments | Similar |
| Rock types – volcanic | Arc-type volcanics | Arc-type volcanics | Similar |
| Volcanic Ages | Ordovician to Early Silurian (Macquarie Arc) | Ordovician to Early Silurian (Louth, Warraweena) | Similar |
| Volcanic chemistry | Calc-alkaline to shoshonitic (Macquarie Arc) | Calc-alkaline to shoshonitic (Warraweena) | Similar |
| Volcanic chemistry | Alkaline, ocean-island basalt (Mt Dijou) | Alkaline, ocean-island basalt (Louth) | Similar |
| Magnetic character | Indicative of steeply-dipping (compressive strain), volcanic-sedimentary sequences with multiple intrusions | Indicative of steeply-dipping (compressive strain), volcanic-sedimentary sequences with multiple intrusions | Similar |
| Alteration mineralogy (+/-) | Quartz, chlorite, pyrrhotite, ankerite, siderite, albite, sericite, barite, stilpnomelane | Quartz, chlorite, pyrrhotite, sericite, ankerite, siderite | Similar |
| Metal chemistry | Cu-Pb-Zn-Ag-Au with Bi, As, Sb, Ni, Cd, Hg, Ba | Elevated Cu (690ppm), Pb (657ppm), Zn (2,400ppm), Ag (71ppm) and As (3,570ppm) in drilling | Similar |
| Ore character sulphur isotopes | *$\delta^{34}S$ values from 5 to 9 ‰ are indicative of relatively reduced Cu – base metal-rich deposits with a dominantly pyrrhotite-pyrite alteration assemblage. | Results from Cuttaburra B – all samples in the range 5.4 to 7.8 ‰ $\delta^{34}S$ | Similar |
| Trend | North-South | East-West | Different |
| Crustal thickness (from seismic) | Moho at 32km | Moho at 48km | Different |
| Seismic character | Very reflective lower crust | Very reflective lower crust | Similar |
| Major ore deposits | Endeavor, Cadia-Ridgeway | In progress | Pending |
| | Northparkes | | |

** From Mernagh, TP, Isotopic Tracers of Fluid Sources and Chemistry in the Cobar Region*

within tenements now held by or in joint venture with Thomson Resources. Cobar–type deposits appear contained within central and western EL's while orogenic gold, porphyry copper and magmatic nickel deposits are potentially located in the eastern group of tenements.

- **Cobar-type gold and base metal deposits.** These are sediment hosted, pipe-like ore bodies occurring within steeply dipping north to northwesterly trending fractures along the eastern margin of the Cobar Basin. In the Thomson Fold Belt major fractures trend east-west before turning back to the northwest. Alteration mineral assemblages accompanying Cobar-type deposits include chlorite, sericite, quartz ± ankerite. These minerals often form an outer halo to a more proximal alteration zone that includes pyrrhotite and pyrite. An understanding of the alteration minerals and associated chemical changes in the rocks provides an excellent vector that may lead to the more economic mineralisation, either laterally and/or at depth. Prospects with confirmed Cobar-type characteristics are found in the central and western tenement packages held by Thomson Resources.
- **Orogenic gold deposits.** These form along active plate margins in a variety of fault systems, in deformed and metamorphosed mid-crustal rocks and with granitic intrusives. Auriferous veins have a spatial association with

brecciated shear zones and brittle-ductile features such as tension gashes, Riedel structures and subordinate tensional structures. These epigenetic deposits form in domes and antiforms as in the epigenetic deposits in Victoria. There is pervasive low-temperature hydrothermal wall rock alteration usually comprising chlorite, sericite, carbonate, quartz and pyrite mineral assemblages. Deposits of this type are common around the world in Archean to Tertiary age rocks. Numerous orogenic gold deposits occur in the Lachlan Fold belt. They include Adelong, Hill End, Gulgong, Lucknow, Parkes, Young, and West Wyalong, each of which is credited to have had over 500,000 ounces of gold. More recent discoveries at Wyoming and McPhillamys are reported to each contain in excess of one million ounces of gold. Indications of orogenic gold deposition are evident in the eastern group of Thomson Resources' tenements.

- **Porphyry copper-gold deposits.** Recent published work by the NSW Geological Survey gave Ordovician to early Silurian ages of U-Pb in zircon from granitic intrusives rocks in the Bourke area. Geophysical, petrological and geochronological evidence clearly indicate the basement volcanics underlying the Bourke area represent a northerly extension of the Lachlan Orogen. Therefore, the Macquarie Arc and its established potential for porphyry copper-gold deposits extend through northern NSW into southern Queensland. Deposits of this type are large tonnage, low to medium grade copper ± gold ± molybdenum and of major global importance. Australian deposits occur in calc-alkaline and alkaline Silurian-aged intrusive rocks within the Macquarie Arc portions of the Lachlan Fold Belt. Mineralisation is contained in a stockwork of veins and stringers within the intrusive and often extending into surrounding host rocks. A zoned and well defined alteration mineral assemblage accompanies ore emplacement. The alteration mineralogy is readily identified in drill core. Ground geophysics is particularly useful in focusing exploration for this type of deposit at depth. Indications of this deposit type occur in the EL 6850, EL 7252 and EL 7253 in the eastern tenement group of claims near Bourke.
- **Ultramafic nickel deposits.** A drill hole into a magnetic anomaly at Pirillie (EL 6851), northwest of Bourke, intersected serpentinite and ultramafic rocks with nickel sulphides. It is unclear whether the pyrrhotite/pentlandite mineralisation results from fractional crystallisation within a layered Paleozoic alpine type peridotite/serpentinite intrusion or from some other mode of occurrence.

### Comments on the Project Geology

Geological information from the Thomson Fold Belt relies almost entirely on available drill core. According to older reports and companies involved in recent work drilling is difficult throughout the area. Most drill holes targeted strong magnetic anomalies and were drilled vertically. Many holes either failed to reach basement due to drilling problems in the cover rock sequence or encountered insufficient magnetite or magnetic pyrrhotite to account for the strong anomaly. Drilling problems are addressed in proposals outlined in the Prospectus which advocates better target definition based on acquisition of more detailed geophysical information. The source of magnetic anomalism would then be tested by directional drilling.

The writer examined core from eight widely spaced drill holes (Table 2 over page) drilled by Minotaur Exploration Ltd across the Thomson Fold Belt. The drill holes were designed to test discrete geophysical targets. The presence of turbidites, chert, intermediate to basic volcanics and various intrusives ranging in composition from granite, diorite, and gabbro to pyroxenite are indicative of a depositional and intrusive environment along active plate margins. Some of these rock types show significant alteration assemblages of quartz, chlorite, sericite, ankerite and pyrrhotite as well as occasional chalcopyrite mineralisation. The following discussion looks at priority targets for further drilling based on the information to hand and current geological knowledge of ore deposit types as described in the previous section.

### Cobar-Type Deposits

Examination of drill core from the Cuttaburra trend drill holes F3 (EL 6631), F8 (EL 6668), F14 (EL 6646), F16 (EL 6664) and F 17 (EL 6630) indicated that each hole drilled through 150-200m cover sequence intersected Cobar Basin metasediments at target depths between 200-300m. Alteration and mineralisation comprised variable chlorite, some carbonate and fine anastomosing veinlets of quartz + pyrite + pyrrhotite; drill hole F8 had minor chalcopyrite associated with pyrite and pyrrhotite. Recent spectral logging clearly shows the presence of alteration mineral suites typically associated with Cobar-type deposits. While alteration typical of Cobar-type deposits was confirmed, only weak mineralisation was intersected and none of the drill holes tested the source of strong magnetic anomalism.

Selected assay results of sections of drill core taken from the above drill holes are discussed in the main text. Of interest are tungsten, zinc and arsenic values accompanied by weak copper and gold in drill core from CDRCD01 (Cuttaburra B prospect). The possible existence of distal mineralised granite could account for the anomalous element distribution; priority drilling is advocated for this prospect. Mineralisation in this instance may be associated with a magnetic low rather than a magnetic high due to hydrothermal destructive alteration of magnetite. In this scenario the magnetic high may be marginal to any economic mineralisation.

Table 2: Drilling Results from the Thomson Tenements

| Prospect | Hole | Basement Depth (m) | End of Hole (m) | Comments | Target Style |
|---|---|---|---|---|---|
| Cut B | CDRCD1 | 87 | 228 | Alteration, Cobar-type sediments, disseminated and vein pyrrhotite. Anomalous metals – Au 0.1g/t, Ag 40g/t, Zn 0.18%, Cu 0.11%, W 0.41% | Cobar-type |
| F3 | F03D01 | 222 | 280 | Alteration, Cobar-type sediments, disseminated and vein pyrrhotite. Anomalous metals – Au 0.1g/t, Ag 0.5g/t, Cu 324ppm, W 890ppm | Cobar-type |
| F8 | F08D01 | No basement | 162 | Hole too short. Gold up to 0.9g/t in overlying sediments | Cobar-type |
| F14 | F14D01 | 240 | 354 | Cobar-type sediments, fluorite and strong arsenic (3570ppm), lead (657ppm) and zinc (748ppm) | Cobar-type |
| F16 | F16D01 | 284 | 308 | Strong alteration, Cobar-type sediments, disseminated and vein pyrrhotite. Silver up to 71g/t, and tungsten up to 389ppm | Cobar-type |
| F16 | F16D02 | 284 | 402 | Strong alteration, Cobar-type sediments, semi-massive vein pyrrhotite. Base metal anomalism – Zn 0.24%, Pb 362ppm, Cu 690ppm. | Cobar-type |
| F17 | F17D01 | 177 | 225 | Alteration, Cobar-type sediments, disseminated and vein pyrrhotite. Trace copper sulphides and anomalous tungsten (190ppm). | Cobar-type |
| P1 | P01D01 | 242 | 321 | Pyroxenite and dunite - nickel values up to 4,210ppm with pentlandite. Also weak PGE anomalism (Pt 0.014g/t, Pd 0.010g/t). | Magmatic Ni |
| T4 | T04D01 | 196 | 248 | Mafic intrusive plug – no significant assays | Diatreme |
| Yanc | YRCD1 | 80 | 111 | Abandoned owing to drilling problems | Cobar-type |
| Yanc | YRCD2 | 80 | 268 | Cobar-type sediments, no alteration apparent – no significant assays | Cobar-type |
| TR1 | TR01D01 | 185 | 225 | Microdiorite- pyrite-albite alteration | Porphyry copper-gold |

*Note – all values quoted are over 1m samples*

Overall the writer concurs with the conclusions and proposals to carry out further drilling to establish the source of the magnetic anomalies in the Cuttaburra trend. A critical understanding of the geology in the Thomson Fold Belt is required and the only recourse to gather that information is from drill core.

## Orogenic Gold Deposits

Ares (EL 6844) and Mt Jack (EL 6668) prospects are noted as potential hosts to orogenic gold deposits. The highest priority prospect is the Ares project which comprises multiple quartz veins in Cobar shelf facies sediments. Surficial mineralisation tested by channel sampling in costeans appears to coincide with a north-south trending dilational jog along a major northwest fault. The fault separates Ordovician volcanics to the north from Silurian sediments in the south. Southeast of the jog the northwest trending fault continues to the southeast bounded only by sediments. Channel samples taken in costeans across outcropping quartz veins in siltstones recorded gold values up to 150g/t. A later phase of air core drilling normal to the strike of the main fault confirmed a coincident gold/arsenic anomaly that extends for more than a kilometre north and south of the outcrop area. The north-south zone of potential mineralisation could extend to three kilometres. Drill core and assay results show gold occurs in quartz-filled fractures in the upper siltstone units, however gold grades decrease markedly in less fractured underlying black shale. Gold grade differences between overlying siltstone and underlying black shale may be attributed to the behavior of host rocks during crustal dilation. Brittle siltstone under-went significant fracturing during dilational faulting permitting the passage of auriferous quartz-rich fluid. The more

impervious, ductile shale remained less fractured providing lesser opportunities for mineralised fluid passage and chemical reaction with the reduced host rocks. Additional drilling is required, both along strike and at depth, to better define the potentially significant gold resource in this prospect.

Mt Jack sits in the midst of featureless Devonian sediments. It forms an intriguing, discrete magnetic anomaly associated with a well defined gravity high. The geophysical anomaly is adjacent to a significant north-northwest trending fault. A single drill hole was abandoned at 163m in auriferous quartz/granite pebble conglomerate before reaching the target depth. Core examination suggests a bimodal origin for rounded pebbles and boulders that make up the conglomerate. Hydrothermal alteration in quartzofeldspathic pebbles is indicated by hematite replacement of feldspars. Amorphous, iron-rich veinlets in the matrix of the conglomerate also indicate hydrothermal fluid passage. A suitable priority drilling program is required to identify the magnetic source and further geological information that may lead to a possible gold source.

### Porphyry Copper Gold Deposits

The recently proposed northern extension of the Lachlan Fold Belt and Macquarie Arc to incorporate the Thomson Fold Belt enables volcanic terrain beneath the Tringadee (EL 6850) and Lillyfield (EL 7252, EL 7253) tenement areas to be interpreted and comparisons made with ore deposits in other parts of the Macquarie Arc. The writer examined core from drill hole T4, drilled to test a distinctive magnetic anomaly in the Tringadee EL. After drilling through 185m of young sediments drill core intersected intrusive rocks comprising alternating bands of gabbro (1m to 20m thick) and granite or diorite (5m to 20m thick). The intrusive relationship of gabbro and granite is not clear in core. Based on increased alteration in the granite near its contact with gabbro it is probable that gabbro intruded a granitic body; the granite shows an increased accumulation of disseminated pyrite adjacent to the gabbro contact. The gabbro is strongly magnetic which probably accounts for the magnetic anomaly. Granite exhibits reasonably strong propylitic alteration in which chlorite, calcite and pyrite dominate the alteration assemblage. Based on limited geological information from a single drill hole of carbonate veining and pyrite concentrations up to 3% there is sufficient information of significance to warrant more drilling. Resolution of intruded and intruding rock types and the source of mineralising fluids remain unanswered although the magnetic source appears to be gabbro. Further ground geophysics may assist in discrimination of magnetic rocks from non-magnetic altered rocks prior to selection of additional drill targets.

Based on a review of available information, the Lillyfield tenements (EL 7252, EL 7253) contain the most immediate prospectivity for porphyry copper-gold mineralisation. In 1965 Mid Eastern Oil Company intersected copper grades up to 1% in the Warraweena Lagoon area. Forty years later Newcrest followed up on the Mid Eastern Oil Company intersection with three diamond drill holes. Newcrest drill holes were relatively shallow (148m-252m) compared with the 332m of the Mid Eastern Oil drill hole. All Newcrest drill holes intersected basalt and andesite flows and volcanoclastic units after passing through young sediments and a 23m weathered volcanic palaeosurface. An interpretation of the geology in the Warraweena Lagoon area suggests that the shallow Newcrest drill holes intersected the upper parts of a bimodal volcanic/volcanoclastic complex, while the Mid Eastern drill hole encountered a deeper zone of hydrothermal alteration in which chalcopyrite was present in probable vein form. Neither the rock type or vein type containing the copper mineralisation is clear but the geological environment is suggestive of conditions favourable to porphyry copper type mineralisation. Detailed ground magnetics and induced polarisation could better define drill targets to follow-up on this potential porphyry copper-gold target area.

### Ultramafic Nickel Deposits

Ultramafic rocks encountered during the drilling of strong geophysical anomalies in the Pirillie EL 6851 northwest of Bourke is indicative of a different geological environment that is unrelated to the Cobar Basin environment. The serpentinite noted by the writer in drill core from Pirillie appears typical of alpine type intrusions associated with deep seated major thrust faults. It may be significant that the nickel bearing sulphide pentlandite was recorded in the Pirillie drill hole but I consider this occurrence to be of lesser exploration priority in the immediate future.

## Comments on the Exploration Program and Budget

The proposed exploration program is prioritised according to projects with the most detailed geological, geophysical and geochemical information. Positive results from drill core assays, studies of alteration mineralogy and detailed geophysical surveys should provide the essential information required to target additional drilling. The more advanced target areas are those identified as having potential for Cobar type deposits. Tenements containing the proposed priority targets are scattered across the western group of Thomson Resources' tenements. Most of the proposed work entails detailed geophysical surveys and drilling and the Company's project budget proposals reflect a necessary strong weighting toward geophysics and drilling expenditure. It should be noted that budget figures reflect all costs associated with drilling, be it diamond drilling, RC or mud drilling; all charges related to analytical services on the core or rock chips are included in the per metre cost of drilling.

Highest priority targets are listed in the Prospectus in order of geological merit; however the need to minimize the drill rig movement between successive holes across the tenement spread may well dictate the drilling order. Additional factors such as bad weather, impassable ground conditions and availability of water for drilling may also affect priority in the drilling program.

This Prospectus presents three scenarios for a drilling program dependent on the amount of funds raised in this offer. The writer concurs with the overall exploration program and probable expenditures proposed for each funding level. In my view the Company, on completion of the Offer, will have sufficient working capital to carry out its highest priority exploration objectives as stated in this Prospectus.

### Sources of Information

In respect to the sources of technical information, I am satisfied that Thomson Resources Limited has provided copies of internal reports and directed me to open file sources within Industry and Investment NSW for information used in preparation of the Prospectus. Information submitted to Industry and Investment NSW by previous workers, within or around the tenements of Thomson Resources Limited outlined in this report, is in the public domain and available in digital format on line.

### Statement of Capability and Independence

The Directors of Thomson Resources Limited have commissioned me to prepare this report. I am a qualified geologist with 43 years experience in mineral exploration. I have worked for several major mining companies as well as being a geological and mineral exploration consultant in Australia and over twenty countries in Asia, southeast Asia, Europe, southwest Pacific, North and South America. I have a wide range of commodity experience in diverse geological environments, with greater emphasis on gold and copper-gold deposits in Proterozoic and younger volcanic arc terrains in the past twenty years.

I am independent of Thomson Resources Limited and all of its associated companies and have no interest in any of the exploration tenements or any entitlement to any of the assets or securities of Thomson Resources Limited. Payment for service is based on standard rate professional fees plus reimbursement of out of pocket expenses relating to the examination of properties and in preparation of this report. Payment of the professional fee is not contingent on the outcome of the proposed equity raising, pursuant to the issuance of the Prospectus for which this report is written.

### Limitations and Consent

My assessment of a range of data, geological concepts, prospect descriptions and statements contained in this Prospectus is based on reports, digital data, maps and figures supplied by Thomson Resources Limited; personal geological records; drill core examination and public domain information sources. The statements contained in this report are based on that information and represent my independent assessment of the mineral assets of Thomson Resources Limited.

Yours sincerely

**John B Seeley**
M.Sc(Hons), Grad.Dip.App.Econ., MAusIMM, FSEG, FAIME.

# Independent Review of Tenements

8

Mining Title Services Pty Ltd
ABN 55 133 183 436
Tel/Fax: (02) 9958 2142
Mining Agents & Title Consultants
100/2 Artarmon Road WILLOUGHBY NSW

12th October 2010

The Directors
Thomson Resources Ltd
P.O. Box 956
CROWS NEST NSW 1585

Dear Sir

## REPORT ON TITLES & NATIVE TITLE

This report is prepared for inclusion in a prospectus to be dated on or about 22th October 2010 to be issued by Thomson Resources Ltd [ACN 138 358 728] (the Company) for the issue of 30,000,000 fully paid ordinary shares in the capital of the Company (Shares) at an issue price of 20 cents per share, to raise $6,000,000 (Offer). The minimum subscription under the Offer is for 20,000,000 Shares to raise $4,000,000 and oversubscription of up to 10,000,000 shares to raise up to $2,000,000 may be accepted.

The report relates to Titles held in New South Wales (**NSW Titles**) (collectively the **Titles**), which are detailed in this report in which the Company holds an interest. The notes to the Titles as set out in the Schedule form part of this report.

Mr Robert Harrison is a Director and Consultant with Mining Title Services Pty Limited (**MTS**). He has in excess of 40 years experience as a mining and exploration titles consultant in Australasia.

This report has been prepared in accordance with the Valmin Code. If this report is not fully compliant in certain areas of the Valmin Code, an explanation has been provided in this report to explain why this is so.

### 1. Searches and Source Information

We have conducted the following searches and enquiries:

a) searches of the NSW Titles as recorded in the Computer Register maintained by the Department of Industry & Investments (DII) pursuant to the Mining Act 1992 of New South Wales (NSW Mining Act), as amended as at 12th October 2010.

b) searches of the native title application summaries maintained by the National Native Title Tribunal (**NNTT**) in the online Computer Register as at 12th October 2010, in relation to those native title claims which affect the Titles.

On the basis of the searches of the Titles, we consider that this report provides an accurate statement as to:

a) the status of the Titles as at 12th October 2010; and

b) the Company's interests therein and we note that the expenditure commitments for the granted Titles have either been complied with or varied as required, subject to the notations and additional comments to the report.

## 2. Aboriginal Heritage

There may be sites of Aboriginal heritage or significance located on the land on which the Titles are situated.

In New South Wales the National Parks & Wildlife Act 1974 of New South Wales (**NPWA**) covers the major requirements for protection of Aboriginal objects, Aboriginal places and Aboriginal remains under Part 6 of the NPWA Sections 86 to 91 inclusive. It is an offence to knowingly destroy, deface or damage an Aboriginal object, place or remains without the consent of the Director-General of the Department of Environment Climate Change and Water (**DECCW**) in accordance with the provisions of Section 90 of the NPWA.

In addition the *Aboriginal and Torres Strait Islander Heritage Act 1984* (Cth.) (**Commonwealth Heritage Act**) also applies to the Titles and is aimed at the preservation and protection from desecration of significant Aboriginal areas and significant Aboriginal objects. An area or object is found to be desecrated if it is used or treated in a manner inconsistent with Aboriginal tradition.

We have not undertaken searches to ascertain if any Aboriginal sites have been registered in the vicinity of the Titles under any of these Acts listed in Section 2 as there is no obligation, in any of those Acts, to register sites, objects or relics. In any event, their exact location is not ascertainable from such searches. Further, these enquiries are generally done by the exploration company after the tenure applied for is granted and once a particular work programme has been determined. In those cases it may be necessary to enter into separate arrangements with the traditional owners of the sites.

To ensure that it does not contravene any of these Acts listed in Section 2 while carrying out operations on the Titles, the Company would need to conduct heritage surveys and also request the relevant authority to provide a certificate to determine if any Aboriginal sites exist within the area of the Titles. If so, the Company would need to ensure that any interference with such Aboriginal sites is in strict conformity with the provisions of the above, NPWA and the Commonwealth Heritage Act as applicable in this State.

## 3. Native Title – Generally

On 3 June 1992 the High Court of Australia held in Mabo -v- Queensland that the common law of Australia recognises a form of native title. In order to maintain a native title claim, the persons making such claim must show that they enjoyed certain customary rights and privileges in respect of a particular area of land and that they have maintained their traditional connection with that land. Such a claim will not be recognised if the native title has been extinguished, either by voluntary surrender to the Crown, death of the last survivor of a community entitled to native title, abandonment of the land in question by that community or the granting of an "inconsistent interest" in the land by the Crown. An example of an inconsistent interest would be the granting of a freehold or some types of leasehold interest in the land. The granting of a lesser form of interest will not extinguish native title unless it is wholly inconsistent with native title.

The Commonwealth Parliament responded to the Mabo decision by passing the *Native Title Act 1993* (**Commonwealth Act**). Amongst other things, the Commonwealth Act:

a) regulates the recognition and protection of native title;

b) confirms the validity of titles granted by the Federal Government prior to the commencement of that Act on 1 January 1994;

c) specifies the procedures to be complied with for certain future acts which affect native title; and

d) specifies the procedures by which Aboriginal peoples can claim native title and by which people determined to hold native title holders can claim compensation.

The Commonwealth Act was extensively amended in 1998 by the *Native Title Amendment Act 1998* (Cth.). These amendments include the validation of any titles that may have been invalidly granted over pastoral leases and certain other leasehold interests during the period 1 January 1994 to 23 December 1996. Other significant amendments include a revised threshold test for the acceptance of native title claims, confirmation of extinguishment of native title by the grant of "exclusive possession" pastoral leases and certain other leasehold interests and provisions intended to deal with overlapping claims.

New South Wales has implemented the *Native Title (New South Wales) Act 1994* which adopts the Commonwealth Act in New South Wales.

We have not researched the underlying land tenure in respect of the Titles in order to determine the extent of extinguishment for the purposes of this report.

## 4. Native Title – Native Title Claims

Persons claiming to hold native title may lodge an application for determination of native title (being a native title claim) with the Federal Court. Applications which are lodged with the Federal Court will be referred to the **NNTT** for the purposes of registration of the claim.

If the Native Title Registrar is satisfied that a claim meets the registration requirements set out in the Commonwealth Act (**Registration Test**) it will be entered on the Register of Native Title Claims maintained by the **NNTT** (**Register**). Claimants of registered claims are afforded certain procedural rights under the Commonwealth Act including the "right to negotiate" discussed further below.

Claims which fail to meet the Registration Test are recorded on the Schedule of Applications Received maintained by the **NNTT**. Such claims may be entered on the Register at a later date if additional information is provided by the claimant that satisfies the Registration Test. Claims which are deregistered will lose the right to negotiate from the date of deregistration but will still remain on foot in the Federal Court until such time as they are determined by the Court.

Certain of the Titles relate to land which is currently the subject of at least one or more registered native title claims. These claims are identified in the Notes to the Schedule of Titles attached to this report. The fact that a claim has been lodged does not necessarily mean that native title exists over the area claimed, nor does the absence of a claim necessarily indicate that no native title exists over that area. The existence of native title will be established in due course as the claims are determined by the Federal Court.

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* A number of the licences as marked with a * on the "Titles Schedule" appearing at the end of this report, fall wholly or partially within Native Title Claim NC97/32 by Barkandji Traditional Owners 8, the claim was lodged on 8 October 1997 and has been accepted under the registration test the application embraces an area of some 128,481.666 sq kilometres in the Western Division of NSW. The claim however has little effect on the titles or the exploration activities due to the following Court determination.

The areas embraced by the titles fall within the Western Division of NSW with the vast majority of tenure being held under Western Lands Leases in Perpetuity with small areas of freehold title. Under the *High Court Decision in Wilson vs Anderson [2002]* HCA 29 (8 August 2002) lands in the Western Lands Division subject to Western Lands Leases in Perpetuity were deemed to have extinguished Native Title.

Accordingly the provisions of the *Commonwealth Act* would only be addressed as required by condition of the licences if exploration work were to be undertaken on some small area/s of unoccupied Crown Land or land which was held under some alternative form of Western Lands Lease within the licence.

Such lands are normally identified by searching of the areas through the records of the Land Titles Office, prior to implementing exploration activity and as a prerequisite to negotiating access and compensation agreements with the relevant owners/occupiers.

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## 5. Native Title – Validity of Titles

### (a) Granted Authorities – New South Wales

(i) Authorities granted prior to 1 January 1994

Under the Native Title (New South Wales) Act 1994 (NSW Native Title Act) Authorities granted in New South Wales prior to 1 January 1994 have been validated to the extent that the grant of the Authority may have been invalid as a result of the existence of native title.

(ii) Authorities granted between 1 January 1994 and 23 December 1996

Under the NSW Native Title Act, certain acts which took place between 1 January 1994 and 23 December 1996, known as "intermediate period acts" were validated.

(iii) Authorities granted since 23 December 1996

Authorities affected by native title rights and interests will be valid provided the applicable processes prescribed by the Commonwealth Act were complied with. The Exploration Licences were all granted after 23 December 1996. We understand that it has been the practice of the New South Wales Government to comply with these processes but we have not undertaken any independent enquiries to confirm that this is the case.

### (b) Future Titles Grants

As stated above, the valid grant of any of the Titles which may affect native title requires full compliance with the provisions of the Commonwealth Native Title Act in addition to compliance with the usual procedures under the relevant State's mining legislation. The primary procedure prescribed under the Commonwealth Native Title Act is the "right to negotiate" process. Other procedures generally apply to low-impact titles (such as prospecting and exploration licences) or infrastructure titles.

The right to negotiate process involves the publishing of a notice of the proposed grant of a Title or permit followed by a minimum 6 month period of negotiation between the relevant State Government, the Titles applicant and the relevant registered native title claimant, if any. If agreement is not reached to enable the grant to occur, the matter may be referred to arbitration before the **NNTT**, which has a further 6 months to reach a decision. The decision of the **NNTT** may be reviewed by the relevant Federal Minister.

The Commonwealth Act provides that, in relation to the grant of Titles in certain areas, a State law can operate in lieu of the right to negotiate process of the Commonwealth Act. These areas are principally areas covered by pastoral leases.

The right to negotiate process does not necessarily have to be pursued in cases where either the explorer has previously entered into an agreement with the native title claimants which facilitates the grant of future Titles, or where an indigenous land use agreement (**ILUA**) is negotiated with the relevant Aboriginal people and registered with the **NNTT**. In such cases, the procedures prescribed by the **ILUA** must be followed to obtain the valid grant of the Titles. These procedures will vary depending on the terms of the relevant **ILUA**.

### (c) Renewals

As with the grant of Titles, renewals of Titles granted prior to 1 January 1994, to the extent the renewals were invalid due to native title, have been validated by legislation. Renewals granted between 1 January 1994 and 23 December 1996 have been similarly validated provided certain statutory criteria have been met.

Renewals made after 23 December 1996 of Titles validly granted before that date will not be subject to the right to negotiate process provided:

(i) the area to which the earlier right is made is not extended;

(ii) the term of the new right is not longer than the term of the earlier right; and

(iii) the rights to be created are not greater than the rights conferred by the earlier grant.

There is doubt as to whether the right to negotiate process applies to second and subsequent renewals but this matter is yet to be determined by the courts. Other than as stated above, renewals of Titles are subject to the same right to negotiate (or, pending legislation, alternative State) process as is described above.

## 6. Risk Factors

The existence of native title and/or native title claims in relation to the land the subject of the Titles may have an adverse impact on the Company's activities and its ability to fund those activities. It is impossible at this stage to quantify the impact that these matters may have on the Company's operations but the main risks include:

(a) delays or difficulties in obtaining the grant of the applications for Titles, renewals or conversions of the Titles, or further applications, as a result of the right to negotiate (or alternative State) process as this process can take as long as 2 years;

(b) compensation may be payable by the Company as a result of agreements made pursuant to the right to negotiate or alternative process or as a result of a compensation order made by the Federal Court in the event native title has been determined to exist. The amount of such compensation is not quantifiable at this stage;

(c) if native title is found to exist the nature of the native title may be such that consent to mining is required from the native title holders and such consent is withheld or only granted on conditions unacceptable to the Company; and

(d) the risk that Aboriginal sites and objects exist on the land the subject of the Titles, the existence of which sites and objects may preclude or limit mining activities in certain areas of the Titles. Further, the disturbance of such sites and objects is likely to be an offence under the applicable legislation, exposing the Company to fines and other penalties.

## 7. Qualifications

While the status of the Titles is dealt with in detail in the Schedule hereunder, we point out, that:

(a) we have assumed the results of the searches which we have made or caused to be made of the Registers established and maintained pursuant to the NSW Mining Act are accurate;

(b) we have relied on the accuracy of the Registers maintained by DII, and

(c) the holding of the Titles is subject to compliance with their terms and conditions and the provisions of the NSW Mining Act.

## 8. Consent

This report is given solely for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus and is not to be relied on or disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without our prior consent.

Mining Title Services Pty Limited has consented to the inclusion of this report in the Prospectus in the form and context in which it is included and has not withdrawn that consent before the lodgement of the Prospectus with the Australian Securities and Investments Commission.

### TITLES SCHEDULE

| Name | Licence No OR Licence Appln No | Holder | Current To OR (Appln Date) | Renewal Pending | Area Units (1 unit = 2.9 sq kms approx) | Expenditure Requirement $ per annum. (Anticipated expenditure on renewal | Agreements Registered Against Title (See notes below) |
|---|---|---|---|---|---|---|---|
| Klondyke | EL 6664 * | Thomson Resources Ltd | 20-11-2010 | Pending | 68 | $98,000 *($98,000)* | |
| Tongo | EL 6630 * | " | 06-09-2010 | " | 70 | $100,000 *($100,000)* | |
| Yantagabangee | EL 6631 * | " | 06-09-2010 | " | 78 | $108,000 *($108,000)* | |
| Glendarra | EL 6720 * | " | 25-02-2011 | | 29 | $59,000 | |
| Kanga | EL 6909 * | " | 16-10-2011 | | 100 | $130,000 | |
| Laurel | EL 6721 * | " | 25-02-2011 | | 50 | $80,000 | |
| Monolon | EL 6646 * | " | 12-10-2010 | Pending | 56 | $86,000 *($86,000)* | |
| Mt Pleasant | EL 6668 | " | 20-11-2010 | " | 32 | $62,000 *($62,000)* | |
| Pirillie | EL 6851 | " | 03-08-2011 | | 91 | $121,000 | |
| Tringadee | EL 6850 | " | 03-08-2011 | | 100 | $130,000 | |
| Callindary | EL 6723 | " | 25-02-2011 | | 50 | $80,000 | |
| Cathedral | EL 7265 * | " | 23-12-2010 | | 100 | $70,000 | |
| Mulga | EL 6766 * | " | 29-04-2011 | | 31 | $61,000 | |

*Continued on following page*

| Name | Licence No OR Licence Appln No | Holder | Current To OR (Appln Date) | Renewal Pending | Area Units (1 unit = 2.9 sq kms approx) | Expenditure Requirement $ per annum. (Anticipated expenditure on renewal | Agreements Registered Against Title (See notes below) |
|---|---|---|---|---|---|---|---|
| Wongalilli | EL 7258 * | " | 09-12-2010 | | 104 | $72,000 | |
| Mulga Tank | EL 6783 | Raptor Minerals Ltd | 22-05-2011 | | 95 | $125,000 | D |
| Louth Road | EL 6844 | " | 03-08-2011 | | 100 | $130,000 | D |
| Germaine | EL 6870 * | " | 06-09-2011 | | 13 | $43,000 | C, B & G |
| Bernadette | EL 6969 * | " | 11-12-2009 | Pending | 8 | $38,000 *($38,000)* | C, B & G |
| Gumpopla | EL 7000 * | " | 03-01-2012 | | 212 | $242,000 | F |
| Cuttaburra | EL 6224 * | " | 04-04-2012 | | 40 | $70,000 | A,C & G |
| Nantilla | EL 7180 * | " | 15-07-2010 | Pending | 100 | $77,500 *($130,000)* | F |
| Lillyfield 1 | EL 7253 | " | 28-11-2010 | Pending | 151 | $95,500 *($181,000)* | E |
| Lillyfield 2 | EL 7252 | " | 28-11-2010 | Pending | 176 | $108,000 *($206,000)* | E |
| Yancannia 2 | EL 6715 * | " | 06-02-2011 | | 100 | $130,000 | F, B & G |
| Cuttaburra Nth | EL 6727 * | " | 05-03-2011 | | 179 | $209,000 | C |
| Bridgette | EL 6853 * | " | 08-08-2011 | | 32 | $62,000 | F, B & G |
| Croke Park | ELA 3931 | Thomson Resources Ltd | *(11-03-2010)* | | 100 | $70,000 On grant p.a. | |
| Knightvale | ELA 4044 | " | *(09/08/2010)* | | 100 | " | |
| Wallenburra | ELA 4043 | " | *(09/08/2010)* | | 100 | " | |

**(* See* in Item 4 above re Native Title)**

With the exception of Exploration Licence 6909 (Act 1992) each of these licences is for Group 1 Minerals (Metallics) which includes the minerals set out in the table hereunder. Exploration Licence 6909 (Act 1992) also includes Group 6 Minerals (Diamonds etc) again as defined in the table hereunder:

**Group 1 (Metallic Minerals) Includes:** antimony, arsenic, bismuth, cadmium, caesium, chromite, cobalt, columbium, copper, galena, germanium, gold, indium, iron minerals, lead, lithium, manganese, mercury, molybdenite, nickel, niobium, platinum group minerals, platinum, rare earth minerals, rubidium, scandium and its ores, selenium, silver, sulphur, tantalum, thorium, tin, tungsten and its ores, vanadium, zinc & zirconia

**Group 6 Minerals Includes:** corundum, diamond, ruby and sapphire)

## Notes

### Dealings and Agreements registered against the Titles

A. **Purchase Agreement Yancannia/Cuttaburra Project** dated 17th March 2007 – ELS 6224 & 6225 (Act 1992) – between Bohoun Resources Pty Ltd, Compass Resources N.L. & Four Points Exploration Limited (now known as Raptor Minerals Limited) – Registered 3rd August 2007.

B. **Purchase Agreement Yancannia/Cuttaburra Project Interest** dated 17th March 2007 – EL 6715, 6853, 6870 & 6969 (Act 1992) – between Bohoun Resources Pty Ltd, Raptor Minerals Limited & Compass Resources Limited – Registered 19th May 2010.

C. **Cuttaburra Joint Venture Agreement** dated 25th February 2010 – EL 6224, 6727 6870 & 6969 (Act 1992) – between Bohuon Resources Pty Ltd, Raptor Minerals Limited & Thomson Resources Limited – Registered 18th May 2010.

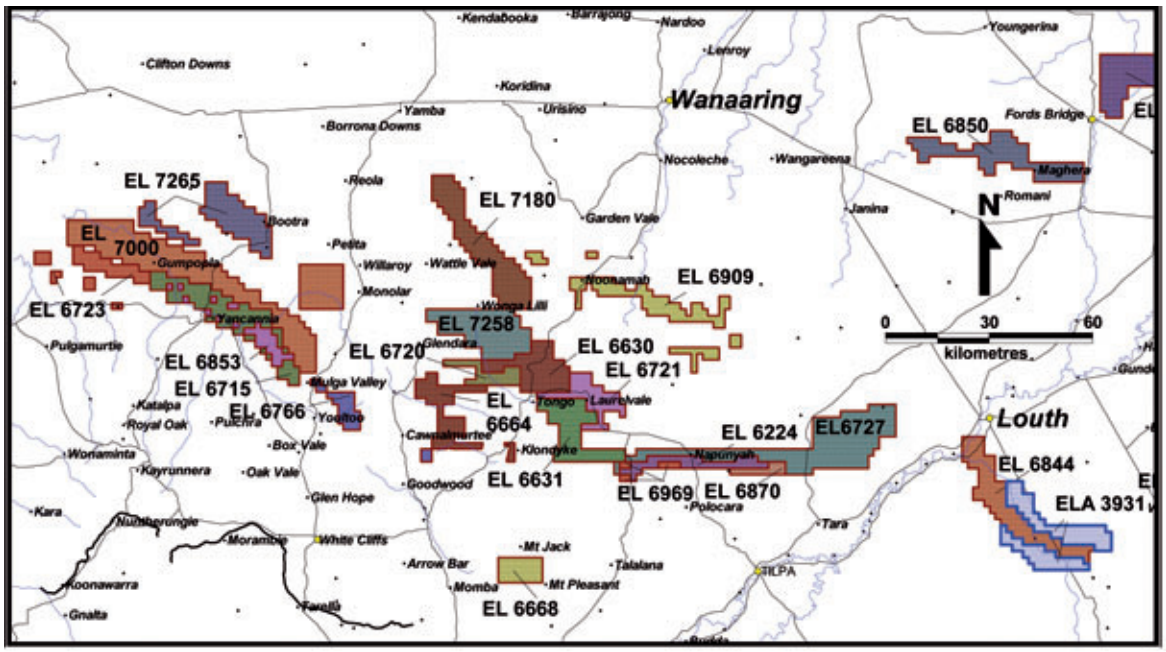
D. **Louth Joint Venture Agreement** dated 25th February 2010 – EL 6783 & 6844 (Act 1992) – between Raptor Minerals Limited & Thomson Resources Limited – Registered 19th May 2010.

E. **Lillyfield Joint Venture Agreement** dated 25th February 2010 – EL 7252 & 7253 (Act 1992)- between Raptor Minerals Limited & Thomson Resources Limited – Registered 18th May 2010.

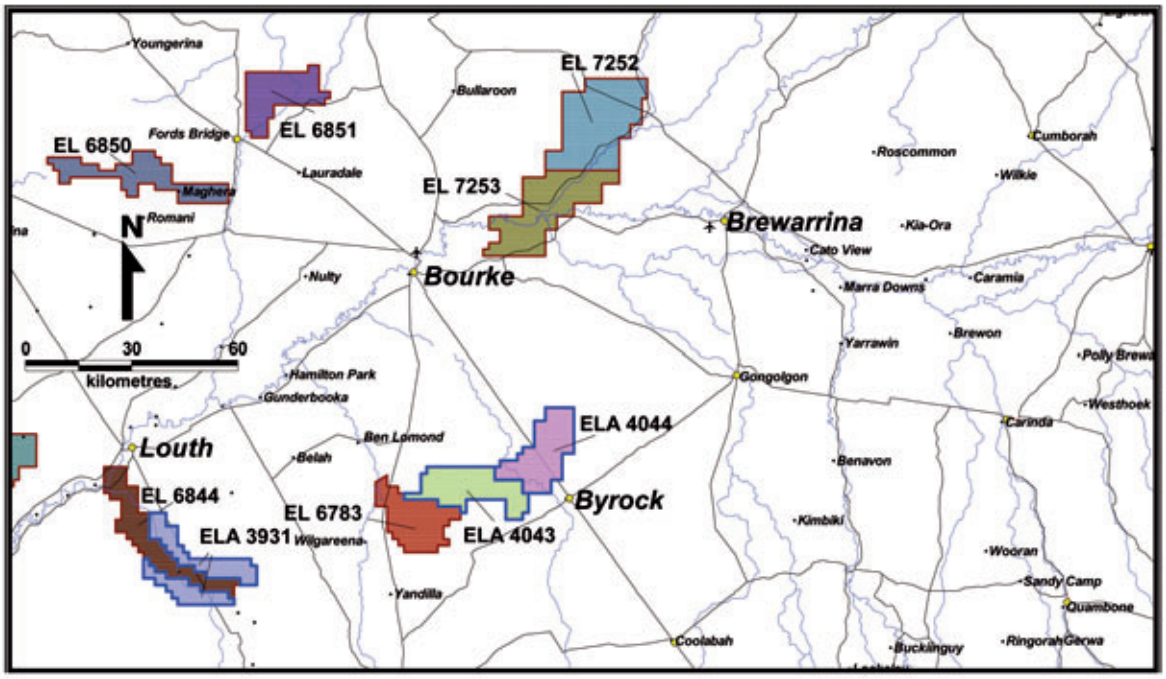
F. **Yancannia Joint Venture Proposal** dated 25th February 2010 – EL 6715, 6853, 7000 & 7180 (Act 1992) – between Bohoun Resources Pty Ltd, Raptor Minerals Limited & Thomson Resources Limited – Registered 19th May 2010.

G. **Deed of Assignment & Assumption and Consent – Bohoun Success Fee** dated 1st May 2010 – EL 6224, 6715, 6853, 6870 & 6969 (Act 1992) – between Bohoun Resources Pty Ltd, Raptor Minerals Limited & Thomson Resources Limited – Registered 18th May 2010.

LOCATION PLAN WESTERN AREAS



LOCATION PLAN EASTERN AREAS




Yours faithfully

**Bob Harrison**

**Mining Title Services Pty Ltd**

# Independent Accountant's Report

9

BARNES DOWELL JAMES

CHARTERED ACCOUNTANTS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B Kolevski (Affiliate ICAA)
M Galouzis CA
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M A Nakkan CA

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22 October, 2010

The Directors
Thomson Resources Ltd
PO Box 956,
Crows Nest, NSW 1585

Dear Sirs,

## INDEPENDENT ACCOUNTANT'S REPORT

This report has been prepared, at your request, for inclusion in a Prospectus to be issued by Thomson Resources Ltd ("Thomson Resources") dated on or about 22 October 2010 in relation to the issue of 30,000,000 Shares in Thomson Resources at an issue price of 20 cents each to raise $6,000,000 with a minimum subscription of $4,000,000 and the right to accept over-subscriptions of up to $2,000,000.

### Scope of our Report

You have requested that Barnes Dowell James report on whether anything has come to our attention that would indicate that the financial information disclosed in Section 9 Appendix A of the Prospectus does not present fairly:

- Thomson Resources' results for the period from 17 July 2009 (being the date of incorporation) to 30 June 2010; and
- Thomson Resources' assets and liabilities as at 30 June 2010, both historical and assuming that the Offer and all of the transactions outlined in Section 2 of the Prospectus had taken place on that date.

This financial information has been reproduced at Appendix A to this report, including the financial reporting framework and details of adjustments to the historical financial position.

The Directors of Thomson Resources are responsible for the preparation and presentation of the financial information as set out in the Prospectus, including the assumptions detailed on which they are based.

In our role as Independent Accountant in relation to the Prospectus, we have reviewed this financial information in accordance with Australian auditing standards applicable to review engagements, in particular Auditing Standard AUS 902 – Review of Financial Reports. Such a review is limited primarily to inquiries of Thomson Resources' Directors and analytical procedures applied to the financial information. These procedures do not provide all of the evidence that would be required in an audit and, accordingly, we do not express an audit opinion.

Expressions used in this report that are defined in the Prospectus have the same meaning as in the Prospectus.

## Financial Information

The historical financial information has been derived from Thomson Resources' audited financial statements for the period from 17 July 2009 (dated of incorporation) to 30 June 2010.

Thomson Resources' proforma balance sheet as at 30 June 2010 reflects the completion of the Offer as though it had taken place on 30 June 2010, and;

(a) To reflect the completion of the Minimum Subscription under the Offer, includes the following transactions:

- The issue of 20,000,000 shares for $0.20 each, being the Minimum Subscription under the Offer: and
- Costs of $500,000 associated with the issue; and

(b) To reflect the acceptance of the Maximum Subscription under the Offer, includes the following transactions:

- The issue of a further 10,000,000 Shares for $0.20 each, being the Maximum Subscription under the Offer; and
- Further costs of $100,000 associated with the issue.

## Subsequent Events

To the best of our knowledge and belief, there have been no material items, transactions or events, outside the ordinary course of Thomson Resources' business, that have occurred subsequent to 30 June 2010 which are not otherwise disclosed in the Prospectus that require comment upon or adjustment to the information referred to in this report or which would cause such information to be misleading or deceptive.

## Independence

Barnes Dowell James does not have any interest in the outcome of the Offer other than in connection with the preparation of this report and participation in the due diligence procedures for which normal professional fees will be received.

Yours faithfully

**Barnes Dowell James**
Chartered Accountants

Anthony Dowell
Partner

## APPENDIX – A

### Balance Sheet as at 30 June 2010

Set out below is Thomson Resources' audited balance sheet as at 30 June 2010 and its proforma balance sheets as at 30 June 2010, incorporating the transactions in Note 3.

The proforma balance sheets show Thomson Resources' financial position on the assumption that the Subscription is taken up under the Offer.

| | Note | Historical 30 June 2010 | Proforma Minimum Subscription 30 June 2010 | Proforma Maximum Subscription 30 June 2010 |
|---|---|---|---|---|
| | | $ | $ | $ |
| **ASSETS** | | | | |
| **Current Assets** | | | | |
| Cash | | 1,461,100 | 4,961,100 | 6,861,100 |
| Receivables | | 19,965 | 19,965 | 19,965 |
| Total Current Assets | | 1,481,065 | 4,981,065 | 6,881,065 |
| **Non Current Assets** | | | | |
| Tenement Security Deposits | | 105,000 | 105,000 | 105,000 |
| Deferred Exploration and Evaluation Expenditure | | 1,327,950 | 1,327,950 | 1,327,950 |
| Property, Plant and Equipment | | 20,769 | 20,769 | 20,769 |
| Total Non Current Assets | | 1,453,719 | 1,453,719 | 1,453,719 |
| **Total Assets** | | **2,934,784** | **6,434,784** | **8,334,784** |
| **LIABILITIES** | | | | |
| **Current Liabilities** | | | | |
| Trade and Other Payables | | 58,085 | 58,085 | 58,085 |
| Provisions | | 8,618 | 8,618 | 8,618 |
| Total Current Liabilities | | 66,703 | 66,703 | 66,703 |
| **Total Liabilities** | | 66,703 | 66,703 | 66,703 |
| **Net Assets** | | **2,868,081** | **6,368,081** | **8,268,081** |
| **SHAREHOLDERS' EQUITY** | | | | |
| Ordinary share capital | 4 (a)(b) | 3,202,000 | 7,202,000 | 9,202,000 |
| Share issue costs | 4 (a)(b) | (108,455) | (608,455) | (708,455) |
| Reserves | 5 | 187,665 | 187,665 | 187,665 |
| Accumulated losses | | (413,129) | (413,129) | (413,129) |
| **TOTAL EQUITY** | | **2,868,081** | **6,368,081** | **8,268,081** |

The historical and proforma statements of financial position should be read in conjunction with the accompanying notes.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### 1. FINANCIAL REPORTING FRAMEWORK

The financial information included in this report has been prepared in accordance with applicable accounting standards and other mandatory professional reporting requirements.

The financial information has been prepared on the basis of historical costs and does not take into account changing money values or current valuations of non-current assets. Cost is based on fair values of the consideration given in exchange for assets.

The following significant accounting policies have been adopted in the preparation and presentation of the financial information and will be used in the preparation of subsequent financial reports.

a) Share issue costs

Costs incurred and directly attributable to the issue of Shares are deducted from the proceeds of the issue.

b) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure is considered separately for each area of interest.

Exploration and evaluation expenditure related to an area of interest will be written off as incurred, except that it may be carried forward providing that rights to tenure of the area of interest are current and provided further that at least one of the following conditions is met:

(i) Such expenditure is expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale, and

(ii) Exploration and evaluation activities in the area of interest have not, at balance date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest, are continuing.

#### Capitalised Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred by or on behalf of the Company is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure, but does not include general overheads or administrative expenditure not having a specific connection with a particular area of interest. This policy is in line with the requirements of AASB 6.

Exploration and evaluation costs in relation to separate areas of interest for which rights of tenure are current are brought to account in the year in which they are incurred and carried forward provided that:

(a) such costs are expected to be recouped through successful development and exploitation of the area, or alternatively through its sale; or

(b) exploration and/or evaluation activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

Accumulated costs in respect of areas of interest are written off in the Income Statement when the above criteria do not apply or when the Directors assess that the carrying value may exceed the recoverable amount. The costs of productive areas are amortised over the life of the area of interest to which such costs relate on the production output basis.

Once a development decision has been taken, all past and future exploration and evaluation expenditure in respect of the area of interest is aggregated within costs of development.

#### Impairment Testing

Under Australian equivalents to International Financial Reporting Standards (A-IFRS) all current and non-current assets are subject to impairment testing. The Company has tested the values attributed to assets when impairment is indicated. Such testing will require the Company to identify the smallest group of assets generating independent cash inflows, called cash generating units ("CGUs"), and determine the recoverable amount for each CGU. Recoverable amounts are determined using the higher of either value in use calculated using reliable estimates of future discounted cash flows,

or fair values. Where the carrying amount of CGU exceeds the recoverable amount, an impairment loss exists which will be recognised in the statement of income. The Company has determined that there will be no impact from impairment required. It is not practicable to determine the impact of the change in accounting policy for future financial reports, as any impairment or reversal thereof will be affected by future conditions.

## 2. INCOME STATEMENT

The income statements shown below have been summarised from the Company's audited financial statements for the year ended 30 June 2010.

| | Historical 30 June 2010 | Proforma Minimum and Maximum Subscription 30 June 2010 |
|---|---|---|
| | $ | $ |
| **Income** | 59,670 | 59,670 |
| Less: Expenses | | |
| Administration Costs | | |
| – Auditors remuneration | 6,950 | 6,950 |
| – Contract administration services | 121,986 | 121,986 |
| – Employee costs | 46,182 | 46,182 |
| – Exploration expenditure expenses | 7,354 | 7,354 |
| – Insurance | 4,174 | 4,174 |
| – Recruitment costs | 29,285 | 29,285 |
| – Rent | 13,420 | 13,420 |
| – Share based payments | 187,665 | 187,665 |
| – Travel | 14,568 | 14,568 |
| – Other costs | 41,215 | 41,215 |
| **Total Expenses** | **472,799** | **472,799** |
| **Loss for the Period** | **413,129** | **413,129** |
| Accumulated Losses brought forward | – | – |
| **Accumulated Losses carried forward** | **413,129** | **413,129** |

## 3. PROFORMA BALANCE SHEET

The proforma statement of financial position as at 30 June 2010 that reflects the completion of the Minimum and Maximum Subscriptions under the Offer as though they had taken place on 30 June 2010 (Proforma Minimum Subscription and Proforma Maximum Subscription) includes the following transactions:

(a) The issue of 20,000,000 Shares for $0.20 each (Minimum Subscription);

(b) The issue of 30,000,000 Shares for $0.20 each (Maximum Subscription); and

(c) Costs of $500,000 (Minimum Subscription) and $600,000 (Maximum Subscription) associated with the Issue.

The Company will accept a maximum oversubscription of $2 million, raising a total of $8 million. In the advent of an oversubscription additional costs of issue are Brokers' fees which are calculated at 5% of capital raised.

## 4. ISSUED CAPITAL

| | | Number of Shares | $ |
|---|---|---|---|
| (a) | **ORDINARY SHARES** | | |
| | **On the assumption that the MINIMUM Subscription is taken up under the Offer** | | |
| | Shares on issue at 17 July 2009 (date of incorporation) | 500,000 | 20,000 |
| | Shares issued July to October 2009 | 46,820,000 | 3,182,000 |
| | Less: Share issue costs | | (108,455) |
| | Shares issued pursuant to the Prospectus | 20,000,000 | 4,000,000 |
| | Less: Costs associated with the issue | | (500,000) |
| | **Total ordinary shares** | **67,320,000** | **6,593,545** |
| (b) | **ORDINARY SHARES** | | |
| | **On the assumption that the MAXIMUM Subscription is taken up under the Offer** | | |
| | Shares on issue at 17 July 2009 (date of incorporation) | 500,000 | 20,000 |
| | Shares issued July to October 2009 | 46,820,000 | 3,182,000 |
| | Less: Share issue costs | | (108,455) |
| | Shares issued pursuant to the Prospectus | 30,000,000 | 6,000,000 |
| | Less: Costs associated with the issue | | (600,000) |
| | **Total ordinary shares** | **77,320,000** | **8,493,545** |

## 5. ISSUE OF OPTIONS

### Options Issued

On 11 December 2009, 5,000,000 options were issued to PlatSearch NL and 1,500,000 options were issued to Minotaur Resources Investments Pty Ltd as part consideration for the sale of mineral tenements. The exercise price of the options are 30 cents and expiry date is 11 December 2014. PlatSearch NL was also issued with 10,500,000 shares at 4 cents and 5,000,000 were issued to Minotaur Resources Investments Pty Ltd at 4 cents as consideration for the sale of the mineral tenements.

The Company has also issued 3,000,000 options to Directors and senior management and consultants with an exercise price of 30 cents and expiry date of five years from date of issue.

## 6. FINANCIAL REPORTING BY SEGMENTS

The Company currently operates solely in the resources industry in Australia.

# Risk Factors 10

## 10.1 Introduction

The Shares offered under this Prospectus should be considered speculative because of the nature of the business activities of the Company. Whilst the Directors commend the Offer, potential investors should be aware that an investment in the Company involves risks, which may be higher than the risks associated with an investment in other companies.

There are numerous widespread risks associated with investing in any form of business and with investing in the share market generally. There is also a range of specific risks associated with the Company's business and its involvement in the exploration industry. These risk factors are largely beyond the control of the Company and its Directors because of the nature of the proposed business of the Company.

Persons considering whether or not to invest in the Company should read the whole of this Prospectus in order to fully appreciate such matters and the manner in which the Company intends to operate, before any decision is made to apply for Shares. Prospective investors should consider whether the Shares offered are a suitable investment for them having regard to their own personal investment objectives and financial circumstances and the risk factors set out below. If in any doubt, they should consult with their professional advisers before deciding whether to apply for Shares.

The following statement, which is not exhaustive, identifies some of the major risks associated with an investment in the Company, of which potential investors need to be aware before making a decision on whether or not to invest in the Company's Shares.

## 10.2 General Risks

### (a) Exploration and Development

A significant risk for the Company is that the proposed exploration programmes will not result in exploration success. Mineral exploration by its nature is a high risk endeavour and consequently there can be no assurance that exploration of the project areas described in this Prospectus, or any other projects that may be acquired in the future, will result in discovery of an economic mineral deposit. Should a discovery be made, there is no guarantee that it will be commercially viable. While the Directors will make every effort to reduce these risks through their experience in the exploration and mining industry, the fact remains that a commercially viable mineral discovery is very much the exception rather than the rule and success can never be guaranteed.

The future viability and profitability of the Company as an exploration and mining company will be dependent on a number of factors including, but not limited to, the following:

- commodity prices and exchange rates and, in particular, the price of gold, copper, silver, lead and zinc;
- risks inherent in exploration and mining including, among other things, successful exploration and identification of ore reserves, satisfactory performance of mining operations (including risks relating to continuity of ore deposit, fluctuations in grades and values of the product being mined and unforeseen operational and technical problems) and competent management;
- risks associated with negative exploration results, including relinquishment (in whole or in part) of tenements and the Company possibly withdrawing from a joint venture or not exercising an option to acquire equity, even though a viable mineral deposit may be present but undiscovered;
- risks associated with obtaining the grant of any exploration or mining tenements which are applications or renewal of tenements upon expiry of their current term;
- risks arising because of native title and Aboriginal land rights which may affect the Company's ability to gain access to prospective exploration areas to obtain production titles; compensatory obligations may be necessary in settling native title claims lodged over any of the tenements held or acquired by the Company; the level of impact of these matters will depend, in part, on the location and status of the tenements acquired by the Company;
- risks that exploration and mining may be adversely affected or hampered by industrial disputes;
- environmental management issues with which the Company may be required to comply from time to time. In particular, the area is part of the Great

Artesian Basin requiring careful environmental and safety management to mitigate contamination of aquifers and hydrological flows. This entails a set of procedures and controls on drilling in the area;

- risks of obtaining access to sufficient water at reasonable cost to sustain mining activities;
- the risk of material adverse changes in the government policies or legislation of Australia affecting the level of mining and exploration activities;
- poor weather conditions over a prolonged period which might adversely affect mining and exploration activities and the timing of earning revenues;
- unforeseen major failures, breakdowns or repairs required to key items of exploration and mining plant and equipment or mine infrastructure resulting in significant delays, notwithstanding regular programmes of repair, maintenance and upkeep;
- risks associated with the cost of maintaining exploration and mining properties, which depends on the Company having access to sufficient development capital; and
- risks associated with the financial failure or default by a participant in any of the joint ventures or other contractual relationships to which the Company is, or may become, a party.

### (b) Development and Acquisition Opportunities

The success of the Company partially depends upon the Company's ability to identify, secure and develop a portfolio of high quality project interests and strategic industry partnerships. There is a risk that the Company will be unable to secure additional gold, base metals and rare metals project interests on appropriate terms, thereby potentially limiting the growth of the Company.

If the Company acquires only a limited number of gold, base metals and rare metals project interests, poor performance by one or a few of these could severely affect the performance of the Company and thereby severely impact the returns to investors. The integration of new gold, base metals and rare metals project interests by the Company may also be more difficult, and involve greater costs, than anticipated.

### (c) Dependence on Key Personnel

The Company's success depends to a significant extent upon key management personnel, as well as other management and technical personnel including those employed on a contractual basis. The loss of the services of certain personnel could have an adverse effect upon the Company and its activities. See Section 11 of this Prospectus for further information in relation to consultancy and service agreements.

### (d) Native Title and Land Access

The Company's activities in Australia are subject to the Native Title Act and associated legislation relating to native title, which are discussed in the Independent Review of Tenements in Section 8 of this Prospectus. Uncertainty associated with native title issues may impact on the Company's future plans.

### (e) Aboriginal Sites of Significance

Commonwealth and State legislation obliges the Company to identify and protect sites of significance to Aboriginal custom and tradition. Further details of this legislation are set out in the Independent Review of Tenements in Section 8 of this Prospectus. Some sites of significance may be identified within the Tenements. It is therefore possible that one or more sites of significance will exist in an area which the Company considers to be prospective. The Company's policy is to carry out clearance surveys prior to conducting exploration which would cause a disturbance to the land surface.

### (f) Environmental Risks

The minerals and mining industries have become subject to increasing environmental responsibility and liability. The potential for liability is an ever-present risk. The use and disposal of chemicals in the mining industry is under constant legislative scrutiny and regulation.

Exploration work will be carried out in a way that causes minimum impact on the environment. Consistent with this, it may be necessary in some cases to undertake baseline environmental studies prior to certain exploration or mining activities, so that environmental impact can be monitored and, as far as possible, minimised. While the Company is not aware of any endangered species of fauna and flora within any of its project areas, no baseline environmental studies have been undertaken to date, and discovery of such could prevent further work in certain areas.

### (g) Valuation of Tenements

No valuation has been completed on the exploration projects or the Shares of the Company. The Company makes no representation in this Prospectus as to the value of the exploration assets. It is recommended that intending investors and their advisers make their own assessment as to the value of the exploration projects.

### (h) Development Capital

Exploration and development costs will reduce the cash reserves of the Company, which may not be replaced through the successful development of mining operations, or should these mining operations prove unsuccessful or perform below the required levels. The Company would then be dependent on seeking development capital elsewhere, through equity, debt or joint venture financing, to support long term exploration and evaluation of its projects.

### (i) Share Market Conditions

Share market conditions may affect listed securities regardless of operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- movements in, or outlook on, interest rates and inflation rates;
- currency fluctuations;
- commodity prices;
- changes in investor sentiment towards particular market sectors; and
- the demand for, and supply of, capital.

Investors should recognise that once the Shares are listed on ASX, the price of the Shares may rise or fall. Many factors will affect the price of the Shares including local and international stock markets, movements in commodity prices, interest rates, economic conditions and investor sentiment generally.

### (j) General Economic Factors

Factors such as inflation, currency fluctuation, interest rates, supply and demand and industrial disruption may have an impact on operating costs, commodity prices and stock market processes. The Company's future possible revenues and Share price can be affected by these factors which are beyond the control of the Company and its Directors.

### (k) Exploration Licences

The renewal of tenements upon expiry of their current term and the granting of applications for exploration licences is subject to Ministerial approval. Non-approval or a delay in the approval process could have a negative impact on exploration conducted by the Company as well as the Share price of the Company.

### (l) Commodity Prices

Commodity prices are influenced by physical and investment demand for those commodities. Fluctuations in commodity prices may influence individual projects in which the Company has an interest. Specifically, changes in the price of gold, base metals and rare metals may have an effect on the Company.

## 10.3 Specific Risks

### (a) Government Policy

Changes in government, monetary policies, taxation (including the proposed introduction of the Commonwealth Government's proposed Minerals Resources Rent Tax) and other laws can have a significant influence on the outlook for companies and the returns to investors.

The Company's activities will require compliance with various laws, both State and Commonwealth, relating to the protection of the environment, Aboriginal culture and heritage and native title. Changes in government, government policies and legislation could have a material adverse effect on the Company.

### (b) Other Risks Specific to the Company

The current and future operations of the Company, including exploration, appraisal and possible production activities may be affected by a range of factors, including:

- geological conditions;
- alterations to programmes and budgets;
- unanticipated operational and technical difficulties encountered in geophysical survey, drilling and production activities;
- mechanical failure of operating plant and equipment, adverse weather conditions, industrial and environmental accidents, industrial disputes and force majeure events;
- unavailability of aircraft or drilling equipment to undertake airborne surveys and other geological and geophysical investigations;
- unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment;
- prevention or restriction of access by reason of political unrest, outbreak of hostilities and inability to obtain consents or approvals (including clearance of work programmes pursuant to access agreements entered into with native title claimants); and
- un-insured losses and liabilities.

## 10.4 Other Risks

The future viability and profitability of the Company is also dependent on a number of other factors affecting performance of all industries and not just the exploration and mining industries, including, but not limited to, the following:

- currency exchange rate fluctuations;
- the strength of the equity and share markets in Australia and throughout the world;
- general economic conditions in Australia and its major trading partners and, in particular, inflation rates, interest rates, commodity supply and demand factors and industrial disruptions;
- financial failure or default by a participant in any of the joint ventures or other contractual relationship to which the Company is, or may become, a party;
- insolvency or other managerial failure by any of the contractors used by the Company in its activities; and
- industrial disputation in Australia and overseas.

## 10.5 Speculative Nature of Investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus. Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares. Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares in the Company.

# Material Contracts 11

Set out below are summaries of the more important provisions of contracts to which the Company is a party and which are or may be material in terms of the Offer or the operations of the Company or otherwise are or may be relevant to an investor who is contemplating the Offer.

To fully understand all rights and obligations in the material contracts it is necessary to read them in full. A copy of each of these contracts may be inspected during normal business hours at the registered office of the Company.

## 11.1 Directors Deed of Indemnity, Insurance and Access

As permitted by the Constitution, the Company has entered into a Deed of Indemnity, Insurance and Access with each Director. The indemnity is subject to restrictions prescribed in the Corporations Act.

In summary, the Deed:

- requires the Company to indemnify a Director against liabilities incurred as a result of acting as a director subject to certain exclusions and provides for related legal costs to be paid by the Company;
- requires the Company to use its best endeavours to maintain an insurance policy against any liability incurred by a director in his capacity as a Director during that person's term of office and 7 years thereafter; and
- provides a Director with a right of access to board papers and other documents while in office and for 7 years thereafter.

## 11.2 Joint Venture Agreements between Raptor Minerals Limited and the Company

Thomson Resources has entered into four joint venture letter agreements with Raptor Minerals Limited ("Raptor"), a subsidiary of Compass Resources Limited. These are:

### (a) Cuttaburra Joint Venture Letter Agreement

Raptor and Thomson Resources are parties to the Cuttaburra Joint Venture Letter Agreement dated 25 February 2010 ("Cuttaburra Joint Venture").

The scope and purposes of the Cuttaburra Joint Venture are to carry out exploration and prospecting for minerals and, if successful, establish a mining operation within Exploration Licences 6870, 6969, 6224 and 6727 ("Cuttaburra Exploration Licences") situated in the Bourke district of New South Wales. The parties acknowledge that Exploration Licences 6224, 6969 and 6870 are subject to an existing agreement with Bohuon Resources Pty Ltd, details of which are set out in Section 11.3 of this Prospectus.

Thomson Resources may earn a 51% interest in the Cuttaburra Exploration Licences by spending $1,500,000 on joint venture activities in the first four years after the execution of the Cuttaburra Joint Venture. Thomson Resources may then elect to sole fund all joint venture activities until such time as a definitive feasibility study on the Cuttaburra Exploration Licences is completed to earn up to a 75% interest in the Cuttaburra Exploration Licences.

If Thomson Resources elects not to sole fund a definitive feasibility study, Raptor can contribute its share of ongoing expenditure to maintain its 49% interest.

If Raptor does not elect to contribute its share of ongoing expenditure to maintain its 49% interest, Thomson Resources can earn a 75% interest in the Cuttaburra Exploration Licences by spending a further $1,500,000 (total expenditure of $3,000,000) within six years after the execution of the Cuttaburra Joint Venture.

Once Thomson Resources has earned a 75% interest, Thomson Resources shall free carry Raptor's 25% interest until completion of a definitive feasibility study or until it has spent $3,000,000 as referred to above.

Once a definitive feasibility study has been completed or Thomson Resources has spent $3,000,000 as referred to above, Raptor must elect to contribute to ongoing joint venture expenditure in proportion to its joint venture interest or convert its 25% interest into a 2% net smelter royalty.

Subject to its compliance with the requirements of the Cuttaburra Joint Venture Agreement, Thomson Resources may introduce a partner ("MajorCo") to fund joint venture activities and MajorCo may earn a share of Thomson Resources' interest by funding Thomson Resources' share of joint venture expenditure on such terms and conditions

as may be agreed between Thomson Resources and MajorCo.

The term of the Cuttaburra Joint Venture will continue during the life of the Cuttaburra Exploration Licences unless otherwise terminated in accordance with the Cuttaburra Joint Venture.

Any party may withdraw from the Cuttaburra Joint Venture on 30 days' notice to the other, provided that Thomson Resources may not withdraw until it has spent $400,000 within 2 years after the execution of the Cuttaburra Joint Venture.

A management committee consisting of two representatives of each party that is contributing to joint venture expenditure will be established after Thomson Resources has completed the first expenditure requirement of $1,500,000 referred to above to consider and approve programmes and budgets and to determine policies and make decisions affecting the management of the joint venture. Thomson Resources will be the manager and operator of the joint venture while it is sole contributor to joint venture expenditure or holds the largest joint venture interest.

The Cuttaburra Joint Venture is subject to the grant of any necessary approvals and consents required pursuant to the Mining Act for the purpose of legal and equitable assignment of the Cuttaburra Exploration Licences.

The Cuttaburra Joint Venture is governed by the laws of New South Wales.

### (b) Lillyfield Joint Venture Letter Agreement

Raptor and Thomson Resources are parties to the Lillyfield Joint Venture Letter Agreement dated 25 February 2010 ("Lillyfield Joint Venture").

The scope and purposes of the Lillyfield Joint Venture are to carry out exploration and prospecting for minerals and, if successful, establish a mining operation within Exploration Licences 7252 and 7253 ("Lillyfield Exploration Licences") situated in the Bourke district of New South Wales.

Thomson Resources may earn a 51% interest in the Lillyfield Exploration Licences by spending $500,000 on joint venture activities in the first four years after the execution of the Lillyfield Joint Venture. Thomson Resources may then elect to sole fund all joint venture activities until such time as a definitive feasibility study on the Lillyfield Exploration Licences is completed to earn a 75% interest in the Lillyfield Exploration Licences.

If Thomson Resources elects not to sole fund a definitive feasibility study, Raptor can contribute its share of ongoing expenditure to maintain its 49% interest.

If Raptor does not elect to contribute its share of ongoing expenditure to maintain its 49% interest, Thomson Resources can earn a 75% interest in the Lillyfield Exploration Licences by spending a further $500,000 (total expenditure of $1,000,000) within six years after the execution of the Lillyfield Joint Venture.

Once Thomson Resources has earned a 75% interest, Thomson Resources shall free carry Raptor's 25% interest until completion of a definitive feasibility study or until it has spent $1,000,000 as referred to above.

Once a definitive feasibility study has been completed or Thomson Resources has spent $1,000,000 as referred to above, Raptor must elect to contribute to ongoing joint venture expenditure in proportion to its joint venture interest or convert its 25% interest into a 2% net smelter royalty.

Subject to its compliance with the requirements of the Lillyfield Joint Venture Agreement, Thomson Resources may introduce a partner ("MajorCo") to fund joint venture activities and MajorCo may earn a share of Thomson Resources' interest by funding Thomson Resources' share of joint venture expenditure on such terms and conditions as may be agreed between Thomson Resources and MajorCo.

The term of the Lillyfield Joint Venture will continue during the life of the Lillyfield Exploration Licences unless otherwise terminated in accordance with the Lillyfield Joint Venture.

Any party may withdraw from the Lillyfield Joint Venture on 30 days' notice to the other, provided that Thomson Resources may not withdraw until it has spent $150,000 within 2 years after the execution of the Lillyfield Joint Venture.

A management committee consisting of two representatives of each party that is contributing to joint venture expenditure will be established after Thomson Resources has completed the first expenditure requirement of $500,000 referred to above to consider and approve programmes and budgets and to determine policies and make decisions affecting the management of the joint venture. Thomson Resources will be the manager and operator of the joint venture while it is sole contributor to joint venture expenditure or holds the largest joint venture interest.

The Lillyfield Joint Venture is subject to the grant of any necessary approvals and consents required pursuant to the Mining Act for the purpose of legal and equitable assignment of the Lillyfield Exploration Licences.

The Lillyfield Joint Venture is governed by the laws of New South Wales.

### (c) Louth Joint Venture Letter Agreement

Raptor and Thomson Resources are parties to the Louth Joint Venture Letter Agreement dated 25 February 2010 ("Louth Joint Venture").

The scope and purposes of the Louth Joint Venture are to carry out exploration and prospecting for minerals and, if successful, establish a mining operation within Exploration Licences 6844 and 6783 ("Louth Exploration Licences") situated in the Bourke district of New South Wales.

Thomson Resources may earn a 51% interest in the Louth Exploration Licences by spending $500,000 on joint venture activities in the first four years after the execution of the Louth Joint Venture. Thomson Resources may then elect to sole fund all joint venture activities until such time as a definitive feasibility study on the Louth Exploration Licences is completed to earn a 75% interest in the Louth Exploration Licences.

If Thomson Resources elects not to sole fund a definitive feasibility study, Raptor can contribute its share of ongoing expenditure to maintain its 49% interest.

If Raptor does not elect to contribute its share of ongoing expenditure to maintain its 49% interest, Thomson Resources can earn a 75% interest in the Louth Exploration Licences by spending a further $500,000 (total expenditure of $1,000,000) within six years after the execution of the Louth Joint Venture.

Once Thomson Resources has earned a 75% interest, Thomson Resources shall free carry Raptor's 25% interest until completion of a definitive feasibility study or until it has spent $1,000,000 as referred to above.

Once a definitive feasibility study has been completed or Thomson Resources has spent $1,000,000 as referred to above, Raptor must elect to contribute to ongoing joint venture expenditure in proportion to its joint venture interest or convert its 25% interest into a 2% net smelter royalty.

Subject to its compliance with the requirements of the Louth Joint Venture Agreement, Thomson Resources may introduce a partner ("MajorCo") to fund joint venture activities and MajorCo may earn a share of Thomson Resources' interest by funding Thomson Resources' share of joint venture expenditure on such terms and conditions as may be agreed between Thomson Resources and MajorCo.

The term of the Louth Joint Venture will continue during the life of the Louth Exploration Licences unless otherwise terminated in accordance with the Louth Joint Venture.

Any party may withdraw from the Louth Joint Venture on 30 days' notice to the other, provided that Thomson Resources may not withdraw until it has spent $150,000 within 2 years after the execution of the Louth Joint Venture.

A management committee consisting of two representatives of each party that is contributing to joint venture expenditure will be established after Thomson Resources has completed the first expenditure requirement of $500,000 referred to above to consider and approve programmes and budgets and to determine policies and make decisions affecting the management of the joint venture. Thomson Resources will be the manager and operator of the joint venture while it is sole contributor to joint venture expenditure or holds the largest joint venture interest.

The Louth Joint Venture is subject to the grant of any necessary approvals and consents required pursuant to the Mining Act for the purpose of legal and equitable assignment of the Louth Exploration Licences.

The Louth Joint Venture is governed by the laws of New South Wales.

### (d) Yancannia Joint Venture Letter Agreement

Raptor and Thomson Resources are parties to the Yancannia Joint Venture Letter Agreement dated 25 February 2010 ("Yancannia Joint Venture").

The scope and purposes of the Yancannia Joint Venture are to carry out exploration and prospecting for minerals and, if successful, establish a mining operation within Exploration Licences 7000, 6715, 6853 and 7180 ("Yancannia Exploration Licences") situated in the Bourke district of New South Wales. The parties acknowledge that Exploration Licences 6715 and 6853 are subject to an existing agreement with Bohuon Resources Pty Ltd, details of which are set out in Section 11.3 of this Prospectus.

Thomson Resources may earn a 51% interest in the Yancannia Exploration Licences by spending $1,000,000 on joint venture activities in the first four years after the execution of the Yancannia Joint Venture. Thomson Resources may then elect to sole fund all joint venture activities until such time as a definitive feasibility study on the Yancannia Exploration Licences is completed to earn a 75% interest in the Yancannia Exploration Licences.

If Thomson Resources Limited elects not to sole fund a definitive feasibility study, Raptor can contribute its share of ongoing expenditure to maintain its 49% interest.

If Raptor does not elect to contribute its share of ongoing expenditure to maintain its 49% interest, Thomson Resources can earn a 75% interest in the Yancannia Exploration Licences by spending a further $1,000,000 (total expenditure of $2,000,000) within six years after the execution of the Yancannia Joint Venture.

Once Thomson Resources has earned a 75% interest, Thomson Resources shall free carry Raptor's 25% interest until completion of a definitive feasibility study on or until it has spent $2,000,000 as referred to above.

Once a definitive feasibility study has been completed or Thomson Resources has spent $2,000,000 as referred to above, Raptor must elect to contribute to ongoing joint venture expenditure in proportion to its joint venture interest or convert its 25% interest into a 2% net smelter royalty.

Subject to its compliance with the requirements of the Yancannia Joint Venture Agreement, Thomson Resources may introduce a partner ("MajorCo") to fund joint venture activities and MajorCo may earn a share of Thomson Resources' interest by funding Thomson Resources' share of joint venture expenditure on such terms and conditions as may be agreed between Thomson Resources and MajorCo.

The term of the Yancannia Joint Venture will continue during the life of the Yancannia Exploration Licences unless otherwise terminated in accordance with the Yancannia Joint Venture.

Any party may withdraw from the Yancannia Joint Venture on 30 days' notice to the other, provided that Thomson Resources may not withdraw until it has spent $200,000 within 2 years after the execution of the Yancannia Joint Venture.

A management committee consisting of two representatives of each party that is contributing to joint venture expenditure will be established after Thomson Resources has completed the first expenditure requirement of $1,000,000 referred to above to consider and approve programmes and budgets and to determine policies and make decisions affecting the management of the joint venture. Thomson Resources will be the manager and operator of the joint venture while it is sole contributor to joint venture expenditure or holds the largest joint venture interest.

The Yancannia Joint Venture is subject to the grant of any necessary approvals and consents required pursuant to the Mining Act for the purpose of legal and equitable assignment of the Yancannia Exploration Licences.

The Yancannia Joint Venture is governed by the laws of New South Wales.

## 11.3 Bohuon Success Fee Agreement

Whereas the Company has the right to earn an interest in Exploration Licences 6224, 6969, 6870, 6715 and 6853 ("Tenements") by virtue of certain joint venture letter agreements entered into with Raptor Minerals Ltd ("Raptor"), as outlined in Sections 11.2(a) and (d) of this Prospectus ("Cuttaburra / Yancannia Joint Ventures") and whereas Raptor (previously known as Four Points Exploration Ltd) and Bohuon Resources Pty Ltd ("Bohuon") are parties to a certain Purchase Agreement – Yancannia / Cuttaburra Project Interest ("Purchase Agreement") and Exploration Success Fee Agreement – Yancannia / Cuttaburra Project Interest ("Exploration Success Fee Agreement") both dated 17 March 2007, by Deed of Assignment, Assumption and Consent dated May 2010 ("Deed") made between Raptor as assignor and the Company as assignee, with Bohuon consenting, Raptor has assigned to the Company (which has assumed) its obligations to:

- meet the right of Bohuon under the Purchase Agreement for a Tenement to vest in Bohuon, unless it elects for part or all of it not to vest, in the event that Raptor gives notice that it intends to withdraw from the Tenement ("Withdrawal Vesting"); and
- pay the cash and net profits interest payments to Bohuon provided for in the Exploration Success Fee Agreement ("Success Payments"),

on a 100% basis, subject to the Company's right to withdraw from a Tenement under the Cuttaburra / Yancannia Joint Ventures.

The Company has also covenanted to be bound by:

- the undertakings and to assume the obligations of Raptor under the Purchase and Exploration Success Fee Agreements, subject to the Company's right to withdraw from a Tenement under the Cuttaburra / Yancannia Joint Ventures, except any such undertakings and obligations which have accrued or been incurred prior to the date of the Deed, which remain the responsibility of Raptor; and
- the provisions of the Purchase Agreement and Exploration Success Fee Agreement in respect of its rights and interests under the Deed and the Cuttaburra / Yancannia Joint Ventures.

These obligations of Raptor (as assumed by the Company, subject to the above) include:

- in relation to the Purchase Agreement:
  - to operate and maintain the Tenements at its sole discretion and cost, and be responsible for meeting title obligations and regulatory compliance;
  - to indemnify Bohuon from and against all claims, costs, expenses, losses and liabilities incurred or sustained by Bohuon, arising from a breach of Raptor's / the Company's obligations under that Agreement, its negligence, wilful act or bad faith, except to the extent that the claim, costs, expenses, losses or liabilities result from the breach, negligence, wilful act or bad faith of Bohuon; and
  - if, having notified Bohuon that it will withdraw from a Tenement, to co-operate in transferring its interest in the Tenement to Bohuon, except that if Bohuon elects not to receive that interest then Raptor / the Company will relinquish its interest in accordance with the Mining Act;
- in relation to the Exploration Success Fee Agreement:
  - to make the Success Payments to Bohuon as follows:
    - annual payments of $30,000 (unless and until Raptor / the Company relinquishes all of the Tenements), or until the sooner of

Raptor / the Company electing to replace the NPI with fixed cash Exploration Success Fee payments (as set out below), Raptor / the Company withdrawing from the Agreement, or 17 March 2013, at which time the Success Payments will convert to a 3% Net Profits Interest ("NPI"); and

- on or before the sooner of 17 March 2013 and completion of a positive feasibility study, Raptor / the Company may elect to replace the NPI with fixed cash Exploration Success Fee payments as follows: $3m payable to Bohuon ($1m within 7 days of exercising the election, $1m within 7 days of a decision to proceed with mine development, $1m within 7 days of the first month of commercial mine operation and production), following which payments Bohuon's interest will extinguish (except that if up to three additional mines are developed within the Tenement area, then further exploration success fee payments up to a maximum $3.5m may be payable). All payments are exclusive of GST;

- to operate and maintain the Tenements at its sole discretion and cost during the term of the Agreement, and be responsible for meeting title obligations and regulatory compliance, provide to Bohuon copies of all reports prepared for lodgement with the regulatory authorities and public releases relating to the Tenements, allow Bohuon access to project information and work sites on reasonable notice;
- indemnify Bohuon from and against all claims, costs, expenses, losses and liabilities incurred by Bohuon as a result of a breach of Raptor's / the Company's obligations under the Agreement, its failure to keep the Tenements in good standing, or its negligence, wilful act or bad faith, except to the extent that the claim, costs, expenses, losses or liabilities result from the breach, negligence, wilful act or bad faith of Bohuon; and
- if, having notified Bohuon that it will withdraw from the Agreement and the Tenements (or any of them), to co-operate in transferring its interest in those Tenements to Bohuon, except that if Bohuon elects not to receive that interest then Raptor / the Company will relinquish its interest per the Mining Act.

## 11.4 Letter Agreement with PlatSearch

The Company and PlatSearch entered into a Letter Agreement on 31 May 2010 under which PlatSearch will provide technical services and office and administrative support to the Company.

The Company will pay PlatSearch specified hourly rates for PlatSearch staff used in the provision of technical services. The Company will pay PlatSearch on a people pro-rata basis for the provision of office facilities and administrative support.

The provision of technical services and office and administrative support commenced on 1 April 2010 and will remain in place until 30 June 2011.

## 11.5 Consultancy Agreement with Perijan Investments Pty Limited

Thomson Resources and Perijan Investments Pty Limited ("Perijan") (a company associated with Ivo Polovineo) are parties to a Consultancy Agreement dated 28 January 2010.

By the Consultancy Agreement, Thomson Resources engages Perijan as a consultant to provide corporate secretarial support and consulting services to Thomson Resources on a part time basis.

In consideration for the consulting services, Thomson Resources will pay Perijan at a daily rate of $1,250 plus GST. Thomson Resources will also reimburse Perijan for reasonable incidental expenses and pre-approved travel expenses.

The Consultancy Agreement has an initial term of 12 months and may be renewed by the agreement of both parties. Either party may terminate the Consultancy Agreement on 30 days' prior written notice.

The Consultancy Agreement is governed by the laws of New South Wales.

## 11.6 Letter of Employment with Eoin Rothery

Thomson Resources and Eoin Rothery are parties to a Letter of Employment dated 1 October 2009.

By the Letter of Employment, Thomson Resources employs Mr Rothery as Chief Executive Officer of Thomson Resources.

The Company will pay Mr Rothery an annual salary (inclusive of statutory superannuation payment) of $220,000. Mr Rothery will receive an annual performance review around April/May of each year.

Mr Rothery will be eligible to receive a total of 1,500,000 options each to acquire one Share in Thomson Resources at an exercise price of $0.30 and an exercise period expiry date of five years after the date of grant. The options will be granted in two tranches of 750,000, with the first tranche being granted upon Mr Rothery's appointment as Chief Executive Officer and the second tranche being granted (subject to shareholder approval) 12 months afterwards. The first tranche of options have been granted to Mr Rothery (see Section 12.13(d) of this Prospectus for a summary of the terms and conditions of these options).

If Mr Rothery is made redundant, he will be entitled to a three month severance payment. After more than five years' employment, Mr Rothery will be entitled to a six month severance payment.

Either party may terminate the Letter of Employment on two months' notice to the other.

## 11.7 Lead Management Agreement

The Company and Martin Place Securities Pty Limited ("Martin Place Securities") are parties to a Lead Management Agreement dated 22 October 2010 under which Martin Place Securities agrees to manage the Offer, including using its reasonable endeavours to seek to ensure the successful completion of the Offer.

The Company has agreed to pay Martin Place Securities a management fee of 1% of all funds raised under the Offer (plus GST) and a selling fee of 5% of all funds raised under the Offer (plus GST). Martin Place Securities will, however, rebate to the Company 1.5% (plus GST) of its selling fee in respect of all valid applications received from Minotaur Shareholders and PlatSearch Shareholders pursuant to the Priority Offer provided that such applications are made on the Priority Application Form.

The Company has also agreed to grant Martin Place Securities or its nominee three million Options each with an exercise price of $0.25, exercisable no earlier than 12 months after the date upon which the Company's shares commence trading on ASX and up to 24 months after the earlier of that date and the date the Options cease to be treated as restricted securities by ASX and otherwise on the terms and conditions set out in Section 12.13(e) of this Prospectus.

The Company will reimburse Martin Place Securities for all agreed direct costs and reasonable expenses associated with the Agreement.

If the Offer does not complete for any reason other than Martin Place Securities' default, the Company must pay $20,000 (plus GST) to Martin Place Securities.

Martin Place Securities may terminate the Agreement if any one or more of the following events occurs and that event, in the opinion of Martin Place Securities reached in good faith and acting reasonably, has or could have a materially adverse effect on the success of the Offer and the Company has failed to rectify any material breach after having been given ten business days notice in writing to do so:

1. the Company or any of its related corporations is in breach of any of its material obligations under the Agreement;
2. any warranty or representation by the Company in the Agreement ceases to be true in any material respect;
3. any material statement in this Prospectus is found to be or becomes misleading or deceptive or there is found to be a material omission from this Prospectus of material required by sections 710 or 711 of the Corporations Act;
4. any material contravention by the Company, a related corporation of the Company or an officer of any of them of any provision of the Corporations Act, the Listing Rules or any requirement of ASX, ASIC or any governmental agency;
5. any adverse change occurs which materially impacts or is likely to impact the operational or financial condition, position, performance or prospects of the Company or a related corporation (including but not limited to an administrator, receiver, receiver and manager, trustee or similar official being appointed over any of the assets or undertaking of the Company or a related corporation);
6. an event of insolvency occurs in respect of the Company or a related corporation;
7. the Offer is prevented from proceeding by reason of an order (actual or threatened, interim or final) made by ASIC under section 739 of the Corporations Act; or
8. any circumstance arises after this Prospectus is lodged with ASIC that results in the Company doing any of the following: repaying, or offering to repay, any monies the Company receives from applicants; or offering one or more applicants an opportunity to withdraw their application form(s).

The Agreement is governed by the laws of New South Wales.

# Additional Information 12

## 12.1 Registration

Thomson Resources Ltd was registered as a public company on 17 July 2009. The Company has no subsidiaries.

## 12.2 Corporate Governance

The Board has adopted a corporate framework for the Company which is underpinned by the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (2nd Edition) ("the Recommendations") applicable to ASX-listed entities.

This Section addresses each of the Corporate Governance Principles and, where the Company has not followed a Recommendation, this is identified with the reasons for not following the Recommendation.

### PRINCIPLE 1 – Lay solid foundations for management and oversight

**Recommendation 1.1 – Functions reserved to the board and delegated to senior executives**

The Company has established functions reserved to the Board and functions delegated to senior executives.

The functions reserved to the Board include:

1. oversight of the Company, including its control and accountability systems;
2. appointing and removing the Chief Executive Officer ("CEO") (or equivalent), including approving the remuneration of the CEO and the remuneration policy and succession plans for the CEO;
3. ratifying the appointment and, where appropriate, the removal of the Chief Financial Officer (or equivalent) and the Secretary;
4. input into the final approval of management's development of corporate strategy and performance objectives;
5. reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
6. monitoring senior management's performance and implementation of strategy, and ensuring appropriate resources are available;
7. approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures;
8. approving and monitoring financial and other reporting;
9. appointment and composition of committees of the Board;
10. on recommendation of the Audit Committee, appointment of external auditors; and
11. on recommendation of the Nomination and Remuneration Committee, initiating Board and director evaluation.

The functions delegated to senior executives include:

1. implementing the Company's vision, values and business plan;
2. managing the business to agreed capital and operating expenditure budgets;
3. identifying and exploring opportunities to build and sustain the business;
4. allocating resources to achieve the desired business outcomes;
5. sharing knowledge and experience to enhance success;
6. facilitating and monitoring the potential and career development of the Company's people resources;
7. identifying and mitigating areas of risk within the business;
8. managing effectively the internal and external stakeholder relationships and engagement strategies;
9. sharing information and making decisions across functional areas;
10. determining the senior executives' position on strategic and operational issues; and
11. determining the senior executives' position on matters that will be referred to the Board.

**Recommendation 1.2 – Performance evaluation of senior executives**

The Board reviews the performance of the Chief Executive Officer and executives to ensure they execute the

Company's strategy through the efficient and effective implementation of the business objectives. The Chief Executive Officer and executives are assessed against the performance of the Company and individual performance.

**Recommendation 1.3 – Performance evaluation of senior executives during the financial year**

The Company will include the disclosures required by Recommendation 1 in its future annual reports. In accordance with the guide to reporting on Principle 1, the Company's Board charter is available on the Company's website.

## PRINCIPLE 2 – Structure the board to add value

**Recommendation 2.1 – A majority of the Board should be independent Directors**

Recommendation 2.1 requires a majority of the Board to be independent Directors. The Corporate Governance Council defines independence as being free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of unfettered and independent judgement.

The Board has determined that only one of its three non-executive directors is independent as defined under Recommendation 2.1. The Company is therefore at variance with Recommendation 2.1 in that a majority of directors are not independent. Mr Jones is a director of PlatSearch and Mr Belperio is a director of Minotaur. Both PlatsSearch and Minotaur are substantial shareholders of the Company and accordingly Mr Jones and Mr Belperio are not considered by the Board to be independent directors as defined in Recommendation 2.1.

The Board has nevertheless determined that the composition of the current Board represents the best mix of directors that have an appropriate range of qualifications and expertise and that can understand and competently deal with current and emerging business issues.

Each individual member of the Board is satisfied that whilst the Company may not comply with Recommendation 2.1, all directors bring an independent judgment to bear on Board decisions.

**Recommendation 2.2 – The chair should be an independent director**

The Company's chairman, Mr Gilligan, is an independent director as defined under Recommendation 2.1.

**Recommendation 2.3 – The roles of chair and chief executive officer should be separated**

The roles of the Chairman and the Chief Executive Officer are not exercised by the same individual. The Board Charter summarises the roles and responsibilities of the Chairman, Mr Gilligan and the Chief Executive Officer, Mr Rothery.

**Recommendation 2.4 – Nomination Committee**

The Board has established a Nomination and Remuneration Committee. A copy of the charter of the Nomination and Remuneration Committee is available on the Company's website.

**Recommendation 2.5 – Process for evaluating the performance of the Board**

In accordance with the charter of the Nomination and Remuneration Committee, the Committee is responsible for the:

1. annual evaluation and review of the performance of the Board against both measurable and qualitative indicators established by the Committee;
2. evaluation and review of the performance of individual directors against both measurable and qualitative indicators established by the Committee;
3. review of and making of recommendations on the size and structure of the Board; and
4. review of the effectiveness and programme of Board meetings.

**Recommendation 2.6 – Additional information concerning the Board and Directors**

The Company will include the disclosures required by Recommendation 2.6 in its future annual reports.

There are procedures in place, agreed by the Board, to enable directors, in furtherance of their duties, to seek independent professional advice at the Company's expense.

An evaluation of the performance of the Board, its committees and individual directors took place in respect of the financial year. That evaluation was in accordance with the process disclosed.

The Nomination and Remuneration Committee is responsible for providing the Board with advice and recommendations regarding the ongoing development of:

1. a plan for identifying, assessing and enhancing director competencies; and
2. a succession plan that is designed to ensure that an appropriate balance of skills, experience and expertise is maintained on the Board.

The charter of the Nomination and Remuneration Committee requires that prior to identifying an individual for nomination for directorship, the Committee must evaluate the range of skills, experience and expertise currently existing on the Board to ensure that the Committee identifies the particular skills, experience and expertise that will most effectively complement the Board's current composition. If a new candidate is approved by the Nomination and Remuneration Committee, the appointment of that new candidate is ultimately subject to

shareholder approval in accordance with the Corporations Act and the Company's Constitution.

Further details are set out in the charter of the Nomination and Remuneration Committee. A copy of the charter of the Nomination and Remuneration Committee is available on the Company's website.

## PRINCIPLE 3 – Promote ethical and responsible decision making

**Recommendation 3.1 – Code of Conduct**

The Company has established a code of conduct as to the:

1. practices necessary to maintain confidence in the Company's integrity;
2. practices necessary to take into account the Company's legal obligations and the expectations of stakeholders; and
3. responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

A copy of the code of conduct is available on the Company's website.

**Recommendation 3.2 – Share Trading Policy**

The Company has established a formal policy for dealing in the Company's securities by directors, senior executives, employees and key consultants. This sets out their obligations regarding disclosure of dealing in the Company's securities.

Directors, senior executives, employees and key consultants must consult with the Chairman of the Board or the Company Secretary before dealing in securities of the Company. Purchases or sales in the Company's shares or options by directors, senior executives, employees and key consultants may not be carried out other than during prescribed trading windows. However, Directors, senior executives, employees and key consultants are prohibited from buying or selling Thomson Resources' securities at any time if they are aware of price-sensitive information that has not been made public.

The share trading policy reflects the matters set out in the commentary and guidance for Recommendation 3.2.

A copy of the share trading policy is available on the Company's website.

**Recommendation 3.3 – Availability of Code of Conduct and Share Trading Policy**

The Company will include the disclosures required by Recommendation 3.3 in its future annual reports.

As noted above, copies of the Company's code of conduct and share trading policy are available on the Company's website.

## PRINCIPLE 4 – Safeguard integrity in financial reporting

**Recommendation 4.1 – Audit Committee**

The Company has established an Audit Committee.

**Recommendation 4.2 – Structure of the Audit Committee**

The Company's Audit Committee does not comply with all of the requirements of Recommendation 4.2. Details are as follows:

1. The Audit Committee consists only of non-executive directors. The members of the Audit Committee are Messrs Gilligan, Jones and Belperio.
2. Only one of the members of the Audit Committee is an independent director. Messrs Jones and Belperio are not considered to be independent directors for the reasons given under Recommendation 2.1.
3. The Audit Committee is chaired by Mr Gilligan, who is an independent director but who is also Chairman of the Board.
4. The Audit Committee has three members.

Although not all of the members of the Audit Committee are independent and given that the Chairman of the committee is also Chairman of the Board (and who is the only independent director on the Board), the Board has nevertheless determined that the composition of the Audit Committee represents the only practical mix of directors that have an appropriate range of qualifications and expertise and that can understand and competently deal with current and emerging relevant business issues.

**Recommendation 4.3 – Audit Committee Charter**

The Company has adopted an Audit Committee charter which sets out its role, responsibilities and membership requirements and reflects the matters set out in the commentary and guidance for Recommendation 4.3.

**Recommendation 4.4 – Additional Information concerning the Audit Committee**

The Company will include the disclosures required by Recommendation 4.4 in its future annual reports. In accordance with the guide to reporting on Principle 4, the Company's Audit Committee charter is available on the Company's website.

## PRINCIPLE 5 – Make timely and balanced disclosure

**Recommendation 5.1 – ASX Listing Rule Disclosure Requirements**

The Company has established a Continuous Disclosure Policy which sets out the key obligations of directors and employees in relation to continuous disclosure as well as the Company's obligations under the Listing Rules and the Corporations Act. The policy also provides procedures for internal notification and external disclosures, as well as

procedures for promoting understanding of compliance with disclosure requirements.

The policy reflects the matters set out in the commentary and guidance for Recommendation 5.1.

**Recommendation 5.2 – Continuous Disclosure Policy**

The Company will include the disclosures required by Recommendation 5.2 in its future annual reports.

A copy of the Company's Continuous Disclosure Policy is available on the Company's website.

## PRINCIPLE 6 – Respect the rights of shareholders

**Recommendation 6.1 – Shareholder Communications Policy**

The Company has adopted a shareholder communications policy for:

1. promoting effective communication with shareholders; and
2. encouraging shareholder participation at annual and other general meetings.

**Recommendation 6.2 – Availability of Shareholder Communications Policy**

The Company will include the disclosures required by Recommendation 6.2 in its future annual reports.

A copy of the Company's shareholder communications policy is available on the Company's website.

## PRINCIPLE 7 – Recognise and manage risk

**Recommendation 7.1 – Risk Management Policies**

The Company has established policies for the oversight and management of its material business risks as follows:

1. The Audit Committee oversees financial risks pursuant to the Audit Committee charter. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators.
2. The finance department of the Company manages financial risks.
3. A Risk Committee will oversee the Company's other material business risks.

**Recommendation 7.2 – Risk Management and Internal Control System**

The Company is in process of developing a risk management framework which will be supported by the Board of directors and management.

The Board has required management to design and implement a risk management and internal control system to manage the Company's business risks.

The Board has required management to report to it on whether those risks are being managed effectively.

**Recommendation 7.3 – Statement from the Chief Executive Officer and the Chief Financial Officer**

When considering the Audit Committee's review of financial reports the Board will receive a signed statement in accordance with section 295A of the Corporations Act. This statement will also confirm whether the Company's financial reports are founded on a sound system of risk management and internal control, and that the system is operating effectively in all material respects in relation to financial risks.

Similarly, in a separate written statement the Chief Executive Officer and the Chairman of the Audit Committee will also confirm to the Board whether the Company's risk management and internal control, and that the system is operating effectively in all material respects in relation to financial risks and that nothing has occurred since period-end that would materially change the position.

**Recommendation 7.4 – Additional Information concerning Risk Management**

The Company will include the disclosures required by Recommendation 7.4 in its future annual reports.

The Company is in the process of developing a Risk Committee charter together with a risk management framework.

## PRINCIPLE 8 – Remunerate fairly and responsibly

**Recommendation 8.1 – Remuneration Committee**

The Company has established a Nomination and Remuneration Committee which has delegated responsibilities in relation to the Company's remuneration policies as set out in the Company's Nomination and Remuneration Committee charter. The charter reflects the matters set out in the commentary and guidance for Recommendation 8.1.

**Recommendation 8.2 – Remuneration of Executive Directors, Executives and Non-Executive Directors**

The Company complies with Recommendation 8.2 by clearly distinguishing the structure of non-executive directors' remuneration from that of executive directors and senior executives. The commentary that follows each Recommendation does not form part of the Recommendation. Remuneration for non-executive directors is fixed. Total remuneration for all non-executive directors voted by shareholders at an Extraordinary

General Meeting held in May 2010 is not to exceed $250,000 per annum.

Neither the non-executive directors nor the executives of the Company receive any retirement benefits, other than superannuation.

The Chief Executive Officer is employed pursuant to an employment agreement which is summarised in Section 11.6 of this Prospectus.

**Recommendation 8.3 – Additional Information concerning Remuneration**

The Company will include the disclosures required by Recommendation 8.3 in its future annual reports.

A copy of the Company's Nomination and Remuneration Committee charter is available on the Company's website.

## 12.3 Share Capital

### (a) History of Shares

At the date of this Prospectus, the Company has 47,320,000 Shares on issue.

Since incorporation, the Company has issued Shares as follows:

- Between 17 July 2009 and 20 November 2009, 10,000,000 Shares at $0.04 per Share cash consideration to initial shareholders of the Company.
- On 20 November 2009 15,500,000 Shares for deemed value of $0.04 per Share to tenement vendors in consideration for tenements purchased.
- On 20 November 2009, 21,820,000 Shares at $0.10 per Share cash consideration to private investors pursuant to an Information Memorandum dated 31 July 2009.

See Section 12.6 of this Prospectus for a summary of the rights attaching to Shares.

### (b) Options over new Shares

At the date of this Prospectus, the Company has granted for no consideration a total of 9,500,000 Options over new Shares as follows:

- On 11 December 2009 PlatSearch and a wholly owned subsidiary of Minotaur were granted 5,000,000 and 1,500,000 Options respectively over new Shares exercisable at $0.30 per Share on or before 11 December 2014.
- On 19 February 2010 Eoin Rothery (Chief Executive Officer) was granted 750,000 Options over new Shares exercisable at $0.30 per Share on or before 19 February 2015.
- On 19 February 2010 a number of employees/consultants were granted a total of 900,000 Options over new Shares exercisable at $0.30 per Share on or before 19 February 2015.
- On 5 May 2010 Greg Jones (Non-Executive Director) was granted 450,000 Options over new Shares exercisable at $0.30 per Share on or before 5 May 2015.
- On 5 May 2010 Antonio Belperio (Non-Executive Director) was granted 450,000 Options over new Shares exercisable at $0.30 per Share on or before 5 May 2015.
- On 5 May 2010 Lindsay Gilligan (Non-Executive Director) was granted 450,000 Options over new Shares exercisable at $0.30 per Share on or before 5 May 2015.

See Section 12.13 of this Prospectus for the terms and conditions of the Options.

In addition, the Company will prior to Quotation grant 3,000,000 Options to the Lead Manager pursuant to the Lead Management Agreement (a summary of which is contained in Section 11.7 of this Prospectus) with an exercise price of $0.25 each and an expiry date of 24 months after the earlier of Quotation and the date the Options cease to be treated as restricted securities by ASX. See Section 12.13(e) of this Prospectus for the terms and conditions of these Options.

## 12.4 Tax Status and Financial Year

The Company will be taxed in Australia as a public company at the prevailing corporate tax rate which is 30%. The financial year of the Company will end on 30 June annually.

## 12.5 Litigation

The Directors are not aware of any legal proceedings which have been threatened or actually commenced against the Company.

## 12.6 Rights Attaching To Shares

The Shares to be issued under this Prospectus will rank equally with the issued fully paid ordinary shares in the Company. The rights attaching to Shares are set out in the Company's Constitution and, in certain circumstances, are regulated by the Corporations Act, the Listing Rules and general law. Where the Constitution omits any provision required under the Listing Rules, the Constitution is deemed to contain such a provision and the Constitution is deemed not to contain any provision inconsistent with the Listing Rules. The Constitution of the Company may be inspected during normal business hours at the registered office of the Company.

The following is a summary of the more significant rights of the holders of ordinary shares of the Company. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of the

Company's members. The summary assumes that the Company is admitted to the Official List.

### (a) General Meeting

Each member is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to members under the Company's Constitution, the Corporations Act or the Listing Rules.

The Directors may convene a general meeting whenever they think fit. General meetings may also be called as ordered by a court under sections 249D, E, F and G of the Corporations Act.

A notice of general meeting must be given in accordance with the Corporations Act and must specify the place, date and time of the meeting, the general nature of the business to be transacted at the meeting, information regarding a shareholder's right to appoint a proxy, and if a special resolution is to be proposed at the meeting, the text of the special resolution.

A quorum is met with 3 shareholders present at the time when the meeting proceeds to business.

### (b) Voting

Subject to any rights or restrictions for the time being attached to any class or classes of shares whether by the terms of their issue, the Constitution, the Corporations Act or the Listing Rules, at a general meeting of the Company every holder of fully paid ordinary shares present in person or by a representative has one vote on a show of hands and every such holder present in person or by a representative, proxy or attorney has one vote per share on a poll. A person who holds an ordinary share which is not fully paid is entitled, on a poll, to a fraction of a vote equal to the proportion which the amount paid bears to the total issue price of the share. A member is not entitled to vote unless all calls and other sums presently payable by the member in respect of shares in the Company have been paid. Where there are two or more joint holders of the share and more than one of them is present at a meeting and tenders a vote in respect of the share (whether in person or by proxy or attorney), the Company will count only the vote cast by the member whose name appears before the other(s) in the Company's register of members. No shares may be issued with voting rights more advantageous than those available to any previously issued shares unless otherwise approved by ASX or permitted by the Listing Rules. In the case of an equality of votes, whether on show of hands or on a poll, the chair of the meeting does not have a casting vote.

### (c) Issues of Further Shares

The Directors may, on behalf of the Company, issue, grant options over or otherwise dispose of unissued shares to any person on the terms, with the rights, and at the times that the Directors decide. However, the Directors must act in accordance with the restrictions imposed by the Company's Constitution, the Listing Rules, the Corporations Act and any rights for the time being attached to the shares in special classes of shares.

### (d) Variation of Rights

At present, the Company has on issue one class of shares only, namely ordinary shares. The rights attached to the shares in any class may be altered only by special resolution of the Company and by special resolution passed at a separate meeting of the holders of the issued shares of the affected class, or with the written consent of the holders of at least three quarters of the issued shares of the affected class.

### (e) Transfer of Shares

Subject to the Company's Constitution, the Corporations Act and the Listing Rules, ordinary shares are freely transferable.

The shares may be transferred by a proper transfer effected in accordance with ASTC Settlement Rules, by any other method of transferring or dealing introduced by ASX and as otherwise permitted by the Corporations Act or by a written instrument of transfer in any usual form or in any other form approved by the Directors that is permitted by the Corporations Act. The Company may decline to register a transfer of shares in the circumstances described in the Company's Constitution and where permitted to do so under the Listing Rules. If the Company declines to register a transfer, the Company must, within five business days after the transfer is lodged with the Company, give the lodging party written notice of the refusal and the reasons for refusal. The Directors must decline to register a transfer of shares when required by law, by the Listing Rules or by the ASTC Settlement Rules.

### (f) Partly Paid Shares

The Directors may, subject to compliance with the Company's Constitution, the Corporations Act and the Listing Rules, issue partly paid shares upon which amounts are or may become payable at a future time(s) in satisfaction of all or part of the unpaid issue price.

### (g) Dividends

The Company in general meeting may declare a dividend if the Directors have recommended a dividend and a dividend shall not exceed the amount recommended by the Directors. The Directors may authorise the payment to the members of such interim dividends as appear to the Directors to be justified by the Company's profits and for that purpose may declare such interim dividends.

Subject to the rights of members (if any) entitled to shares with special rights as to dividend, all dividends are apportioned and paid proportionately to the amounts paid

or credited as paid on the shares. Subject to any other provision in rule 126 of the Constitution, the holder of a partly-paid share is not entitled to a greater proportion of the dividend than the proportion which the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited). An amount paid or credited as paid on a share in advance of a call is not to be taken to be paid or credited as paid on the share.

### (h) Winding Up

If the Company is wound up, the liquidator may, with the sanction of a special resolution, divide among the members in kind the whole or any part of the property of the Company and may for that purpose set the value the liquidator considers fair upon any property to be so divided and may determine how the division is to be carried out as between the members or different classes of members.

The liquidator may, with the sanction of a special resolution, vest the whole or any part of the property in trustees upon trusts for the benefit of the contributories that the liquidator sees fit, but so that no member is compelled to accept any shares or other securities on which there is any liability.

If the Company ceases to carry on business within 12 months after its incorporation, shares issued for cash rank in the distribution, to the extent of the capital contributed by subscribing shareholders, in priority to shares issued to vendors or promoters or both for consideration other than cash.

### (i) Dividend Plans

The Directors or the members of the Company, in general meeting, may authorise the Directors to establish and maintain dividend plans under which (among other things) a member may elect that dividends payable by the Company be reinvested by way of subscription for shares in the Company or a member may elect to forego any dividends that may be payable on all or some of the shares held by that member and to receive shares instead.

### (j) Directors

The Company's Constitution states that the minimum number of Directors is three.

The shareholders may appoint and remove a Director by ordinary resolution. The Board of Directors may appoint any person to be a Director to either fill a casual vacancy or as an addition to the existing Directors and any Director may appoint an alternate director by notice to the Company.

The Listing Rules require that the Company hold an election of Directors by ordinary resolution each year. The Directors, other than a managing director, must not hold office (without re-election) past the third annual general meeting following the Director's appointment or three years, whichever is longer. However, a Director appointed by the Board to fill a casual vacancy or as an addition to the board must not hold office (without re-election) past the next annual general meeting.

Under the Constitution, a Director ceases to hold office if the Director becomes bankrupt, becomes of unsound mind, becomes disqualified from being a Director, resigns, is removed, or has been absent without permission from the Board of Directors for 3 consecutive meetings of Directors.

Directors who have a direct or indirect material personal interest in a matter that is being considered at a Directors' meeting must not vote in respect of the matter or be present at the meeting while the matter is being considered, except as permitted by the Corporations Act.

### (k) Powers of the Board

The Directors have power to manage the business of the Company. The Directors may exercise all the powers to the Company except any powers that the Corporations Act, the Listing Rules or the Company's Constitution requires the Company to exercise in general meeting. The Company must obtain the members' approval by ordinary resolution at a general meeting if any significant change, either directly or indirectly, to the nature or scale of its activities involves the Company dispensing of its main undertaking. However, the Company may enter into an agreement of this type before approval is given by the members if the agreement is made subject to that approval.

## 12.7 Compliance with the ASX Listing Rules

The Constitution incorporates Appendix 15A of the Listing Rules. Accordingly, if the Company is admitted to the Official List, the following applies:

(a) notwithstanding anything contained in the Constitution, if the Listing Rules prohibit an act being done, the act shall not be done;

(b) nothing contained in the Constitution prevents an act being done that the Listing Rules require to be done;

(c) if the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);

(d) if the Listing Rules require the Constitution to contain a provision and it does not contain such a provision, the Constitution is deemed to contain that provision;

(e) if the Listing Rules require the Constitution not to contain a provision and it contains such a provision, the Constitution is deemed not to contain that provision; and

(f) if any provision of the Constitution is or becomes inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

## 12.8 Directors Interests

Except as disclosed in this Prospectus, no Director or proposed Director (whether individually or in consequence of a Director's association with any company or firm or in any material contract entered into by the Company) has now, or has had, in the two year period ending on the date of this Prospectus, any interest in:

- the formation or promotion of the Company; or
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer of the Shares; or
- the Offer of the Shares.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, Options or otherwise) have been paid or given or agreed to be paid or given to any Director or proposed Director or to any company or firm with which a Director is associated to induce him or her to become, or to qualify as, a Director or proposed Director, or otherwise for services rendered by him or her or any company or firm with which the Director or proposed Director is associated in connection with the formation or promotion of the Company or the Offer of the Shares.

### (a) Remuneration of Directors

Directors are entitled to remuneration out of the funds of the Company but the remuneration of the non-executive Directors may not exceed in any year the amount fixed by the Company in general meeting for that purpose. The aggregate remuneration of the non-executive Directors has been fixed at a maximum of $250,000 per annum (allowing for the appointment of future Directors) to be apportioned among the non-executive Directors in such manner as they determine. The Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in consequence of their attendance at the Board meetings and otherwise in the execution of their duties as Directors.

The Company has entered into a Letter Agreement with PlatSearch NL (a company of which Greg Jones is a director). A summary of this Agreement is contained in Section 11.4 of this Prospectus.

The Company has entered into a Letter of Employment with Eoin Rothery. A summary of this Letter of Employment is contained in Section 11.6 of this Prospectus.

### (b) Directors' Interests in Company's Securities

The direct and indirect interests of the Directors in the securities of the Company as at the date of this Prospectus are as follows:

| | Shares | | Options | |
|---|---|---|---|---|
| Director | Direct | Indirect | Direct | Indirect |
| G Jones | 300,000 | Nil | Nil | 450,000 |
| A Belperio | Nil | Nil | 450,000 | Nil |
| L Gilligan | Nil | Nil | 450,000 | Nil |
| E Rothery* | Nil | Nil | Nil | 750,000 |

* *Subject to obtaining shareholder approval, an additional 750,000 Options will be granted to Eoin Rothery pursuant to the Letter of Employment referred to in Section 11.6 of this Prospectus.*

Further information on the terms and conditions of these Options is set out in Section 12.13 of this Prospectus. Further detail on the expected capital structure of the Company under three possible scenarios of the Offer are set out in Section 2.9 of this Prospectus.

### (c) Access, Indemnity and Insurance

The Company has entered into a Deed of Indemnity, Insurance and Access with each of the Directors. Details of the Deeds of Indemnity, Insurance and Access are set out in Section 11.1 of this Prospectus.

### (d) Insurance

The Company has effected, and intends to maintain, Directors' and Officers' Liability and Company Reimbursement insurance.

## 12.9 Interests of Named Persons

Except as disclosed in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the two year period ending on the date of this Prospectus, any interest in:

- the formation or promotion of the Company; or
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer of the Shares; or
- the Offer of the Shares.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, Options or otherwise) have been paid or given or agreed to be paid or given to any expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, or to any firm in which any of those persons is or was a partner or to

any company in which any of those persons is or was associated with, for services rendered by that person in connection with the formation or promotion of the Company or the Offer under this Prospectus.

Barnes Dowell James has acted as independent accountant in relation to the Offer. As independent accountant, Barnes Dowell James has been involved in undertaking due diligence in relation to financial and taxation matters and preparing pro-forma financial accounts, and has prepared the Independent Accountant's Report which has been included in this Prospectus. In respect of this work the Company has agreed to pay Barnes Dowell James a total of $5,000 (exclusive of GST) for these services. Barnes Dowell James are the auditors to the Company and have undertaken the audit of the Company's financial statements for the period from the date of incorporate to 30 June 2010, in respect of which the Company has paid them $6,950 (exclusive of GST).

O'Loughlins Lawyers have acted as the solicitors to the Company in relation to the Offer and in that capacity and otherwise assisting the Company with the preparation of this Prospectus, O'Loughlins Lawyers have been involved in undertaking certain due diligence enquiries in relation to legal matters and providing legal advice to the Company in relation to the Offer. In respect of this work, the Company has agreed to pay O'Loughlins Lawyers $50,000 (exclusive of GST) for these services up to the date of this Prospectus. O'Loughlins Lawyers has been paid $48,961.77 (inclusive of GST) for professional fees from the Company during the past 24 months.

Mr John B Seeley will receive professional fees of $20,000 (exclusive of GST) for the provision of the Independent Geologist's Report which has been included in this Prospectus.

Mining Title Services Pty Ltd will receive professional fees of $10,000 (exclusive of GST) for the provision of the Independent Review of Tenements Report which has been included in this Prospectus.

Registries Limited has acted as the Share Registrar in relation to the Offer for which it will receive fees in accordance with its schedule of fees for the provision of professional registry services to the Company during the period 1 October 2010 to 31 December 2010.

Martin Place Securities Pty Ltd has agreed to act as lead manager for the Offer pursuant to the Lead Manager Agreement which (including the fees payable to Martin Place Securities Pty Ltd) is described in Section 11.7 of this Prospectus).

## 12.10 Expenses of the Offer

The estimated expenses connected with the Offer which are payable by the Company are as follows:

| | $ |
|---|---|
| Independent Accountant's Report | 5,000 |
| Legal Expenses | 50,000 |
| Independent Geologist's Report | 20,000 |
| Tenement Report | 10,000 |
| Printing, posting, Share Registry and other miscellaneous Offer costs | 103,500 |
| ASX listing fees * | 46,500 |
| Broker or Dealers' commission and fees* | 265,000 |
| **Total** | **500,000** |

** Based on the minimum subscription of $4,000,000.*

If the full subscription is raised with no oversubscription, the estimated expenses of the offer will be $600,000.

If the full subscription is raised with the maximum oversubscription, the estimated expenses of the offer will be $700,000.

## 12.11 Consents

Each of the parties referred to in this Section 12.11:

(a) does not make, or purport to make, any statement in this Prospectus or on which a statement made in the Prospectus is based, other than as specified in this Section 12.11; and

(b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section 12.11.

Barnes Dowell James has given its written consent to the inclusion in Section 9 of this Prospectus of their Independent Accountant's Report and to all statements referring to that report in the form and context in which they appear and has not withdrawn such consent before lodgment of this Prospectus with ASIC.

Mr John B Seeley has given his written consent to the inclusion in Section 7 of this Prospectus of his Independent Geologist's Report and to all statements referring to that report in the form and context in which they appear and has not withdrawn such consent before lodgment of this Prospectus with ASIC.

Mining Title Services Pty Ltd has given its written consent to the inclusion in Section 8 of its Independent Review of Tenements Report and to all statements referring to that report in the form and context in which they appear and has not withdrawn such consent before lodgment of this Prospectus with ASIC.

Registries Limited has given and, as at the date hereof, has not withdrawn its written consent to be named as Share Registry in the form and context in which it is named. Registries Limited has had no involvement in the preparation of any part of this Prospectus other than being named as Share Registry to the Company. Registries Limited has not authorised or caused the issue of any part of this Prospectus.

Furthermore, each of the following has consented in writing to being named in the Prospectus in the capacity as noted below and has not withdrawn such consent prior to the lodgement of this Prospectus with ASIC:

- Barnes Dowell James as Auditors and Independent Accountants;
- O'Loughlins Lawyers as the Solicitors to the Company;
- John B Seeley as the Independent Geologist;
- Mining Title Services Pty Ltd as Independent Tenement Consultant;
- Registries Limited as the Share Registry; and
- Martin Place Securities Pty Ltd as the Lead Manager.

Copies of the consents to the issue of this Prospectus are available for inspection, without charge, at the registered office of the Company.

There are a number of other persons referred to in this Prospectus who are not experts and who have not made statements included in this Prospectus nor are there any statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in this Prospectus and did not authorise or cause the issue of this Prospectus.

## 12.12 Details of the Existing Shareholders

The top 20 holders of Shares in the Company prior to the Offer are as follows:

| Shareholder | Number of Shares | % Issued Capital |
|---|---|---|
| 1. PlatSearch NL | 10,500,000 | 22.2 |
| 2. Minotaur Resources Investments Pty Ltd | 10,000,000 | 21.1 |
| 3. Van Der Horst Energy Ltd | 10,000,000 | 21.1 |
| 4. Bluestone 23 Limited | 5,000,000 | 10.6 |
| 5. Cedar Top Investments Ltd | 2,325,000 | 4.9 |
| 6. Lew Foon Keong Charles | 2,000,000 | 4.2 |
| 7. Warman Investments Pty Ltd | 1,500,000 | 3.2 |
| 8. Kevin A and Barbara Thomas | 1,000,000 | 2.1 |
| 9. Boon Tong Soh | 625,000 | 1.3 |
| 10. Syan Hui Soh | 625,000 | 1.3 |
| 11. Panstyn Investments Pty Ltd | 500,000 | 1.1 |
| 12. Sunlake Shore Holdings Pty Ltd <The Gilkes Fam Super> | 500,000 | 1.1 |
| 13. Kwan Chee Seng | 419,000 | 0.9 |
| 14. Gregory F & Alison A Jones <The Jones Family Account> | 300,000 | 0.6 |
| 15. Peter Fabian Hellings | 250,000 | 0.5 |
| 16. Mah Kim Loong Leslie | 250,000 | 0.5 |
| 17. Carlo Chiodo | 250,000 | 0.5 |
| 18. Kantilal Champaklal | 206,000 | 0.4 |
| 19. Peter Dennis Stewart | 200,000 | 0.4 |
| 20. FR Benson & SD Oldfield | 200,000 | 0.4 |
| **TOTAL (Top 20 Shareholders)** | **46,650,000** | **98.6** |

## 12.13 Details of Existing Options

### (a) The following Options have been issued prior to the date of this Prospectus

| Optionholder | Number of Options | Exercise Price | Expiry Date |
|---|---|---|---|
| PlatSearch NL | 5,000,000 | $0.30 | 11/12/2014 |
| Minotaur Resources Investments Pty Ltd | 1,500,000 | $0.30 | 11/12/2014 |
| Rothery Family Trust | 750,000 | $0.30 | 19/02/2015 |
| Jones Superannuation Fund | 450,000 | $0.30 | 05/05/2015 |
| A P Belperio <Southern Macra Resource A/C> | 450,000 | $0.30 | 05/05/2015 |
| Lindsay Gilligan | 450,000 | $0.30 | 05/05/2015 |
| Polovineo Superannuation Fund | 300,000 | $0.30 | 19/02/2015 |
| Robert Richardson | 200,000 | $0.30 | 19/02/2015 |
| Wendy Corbett | 150,000 | $0.30 | 19/02/2015 |
| Michelle Lilley | 150,000 | $0.30 | 19/02/2015 |
| Farokh Billimoria | 100,000 | $0.30 | 19/02/2015 |
| **TOTAL (Optionholders)** | **9,500,000** | | |

### (b) Options to Directors

As at the date of this Prospectus, the Company has granted 1,350,000 Options to the Directors (except for Mr Eoin Rothery) on the following terms and conditions:

The Options held by the Optionholder are exercisable in whole or in part on or before 5 May 2015 ("Exercise Period"). Options not exercised before the expiry of the Exercise Period will lapse.

Options are exercisable by notice in writing to the Board delivered to the registered office of the Company and payment of the exercise price of $0.30 per Option in cleared funds. Some or all of the Options may be exercised at any one time or times prior to the expiry of the Exercise Period provided that no less than 10,000 Options are exercised at any one time.

The Company will not apply for official quotation on ASX of the Options. An application may be lodged at a later date to list the Options in the sole discretion of the Board of the Company should the Board consider that there is sufficient spread of Optionholders to result in a market for the Options on ASX.

The Company will make application for official quotation on ASX of new shares allotted on exercise of the Options. Those shares will participate equally in all respects with existing issued ordinary shares, and in particular new shares allotted on exercise of the Options will qualify for dividends declared after the date of their allotment.

Options are not transferable, except that if at any time before expiry of the Exercise Period the Optionholder dies, the legal personal representative of the deceased Optionholder may:

- elect to be registered as the new holder of the Options;
- whether or not he becomes so registered, exercise those Options in accordance with the terms and conditions on which they were granted; and
- if the deceased has already exercised Options, pay the exercise price in respect of those Options.

An Optionholder may only participate in new issues of securities to holders of ordinary shares in the Company if the Option has been exercised and shares allotted in respect of the Option before the record date for determining entitlements to the issue.

If there is a bonus issue to the holders of ordinary shares in the capital of the Company, the number of ordinary shares over which the Option is exercisable will be increased by the number of ordinary shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.

If the Company makes a rights issue (other than a bonus issue), the exercise price of Options on issue will be reduced according to the following formula:

$$A = O - \frac{E\,[P - (S + D)]}{(N + 1)}$$

Where:

A = the new exercise price of the Option;

O = the old exercise price of the Option;

E = the number of underlying ordinary shares into which one Option is exercisable;

P = the average closing sale price per ordinary share (weighted by reference to volume) recorded on the stockmarket of ASX during the five trading days immediately preceding the ex rights date or ex entitlements date (excluding special crossings and overnight sales and exchange traded option exercises);

S = the subscription price for a security under the pro rata issue;

D = the dividend due but not yet paid on existing underlying securities (except those to be issued under the pro rata issue); and

N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

If, during the currency of the Options the issued capital of the Company is reorganised, those Options will be reorganised to the extent necessary to comply with the Listing Rules.

### (c) Options to Vendors

As at the date of this Prospectus, the Company has granted 1,500,000 Options to a wholly owned subsidiary of Minotaur and 5,000,000 Options to PlatSearch on the terms and conditions set out in Section 12.13(b) of this Prospectus except with an exercise period expiry date of 11 December 2014 and such Options are not transferable except with the approval of the Board.

### (d) Other Options

As at the date of this Prospectus, the Company has granted 1,650,000 Options to others (including Mr Eoin Rothery) on the terms and conditions set out in Section 12.13(b) of this Prospectus except with an exercise period expiry date of 19 February 2015 and such Options are not transferable except with the approval of the Board.

### (e) Options to Lead Manager

In addition, the Company will prior to Quotation grant 3,000,000 Options to the Lead Manager pursuant to the Lead Management Agreement (a summary of which is contained at Section 11.7 of this Prospectus) on the terms and conditions set out in Section 12.13(b) of this Prospectus except with an exercise price of $0.25 each and an expiry date of 24 months after the earlier of Quotation and the date the Options cease to be treated as restricted securities by ASX.

## 12.14 Employee Share Option Plan

The Company has established the Thomson Resources Limited Employee Share Option Plan ("Plan") to assist in the attraction, retention and motivation of employees of the Company and its related bodies corporate ("Group"). A summary of the Rules of the Plan is set out below.

All employees (full and part-time) will be eligible to participate in the Plan.

The allocation of Options to each employee is in the discretion of the Board.

If permitted by the Board, Options may be issued to an employee's nominee.

Each Option is to subscribe for one fully paid ordinary share in the Company and will expire 5 years from its date of issue. An Option is exercisable at any time from its date of issue.

Options will be issued free. The exercise price of Options will be the amount determined by the Board. The total number of shares the subject of Options issued under the Plan, when aggregated with issues during the previous 5 years pursuant to the Plan and any other employee share plan, must not exceed 5% of the Company's issued share capital.

If, prior to the expiry date of Options, an employee's employment is terminated where such termination has either been voluntary on the employee's part or otherwise has occurred without cause the Options held by that person (or that person's nominee) must be exercised within 30 days after the termination (but prior to the expiry date of options) otherwise they will automatically lapse.

Except with the consent of the Board, Options may not be transferred and will not be quoted on or by ASX.

Shares issued as a result of the exercise of Options will rank equally with the Company's previously issued shares.

Optionholders may only participate in new issues of securities by first exercising their Options.

If there is a bonus share issue to the holders of shares, the number of shares over which an Option is exercisable will be increased by the number of shares which the Optionholder would have received if the Option had been exercised before the record date for the bonus issue.

If there is a pro rata issue (other than a bonus share issued) to the holders of shares, the exercise price of an Option will be reduced to take account of the effect of the pro rata issue in accordance with the formula in Section 12.13(b) of this Prospectus.

If there is a reorganisation of the issued capital of the Company, unexercised Options will be reorganised in accordance with the Listing Rules.

The Board may amend the Plan Rules subject to the requirements of the Listing Rules.

## 12.15 Working Capital Statement

The Directors believe that, on completion of the Offer, the Company will have sufficient working capital to carry out its objectives as stated in this Prospectus.

## 12.16 Governing Law

This Prospectus and the contracts that arise from the acceptance of the Applications are governed by the laws applicable in the State of New South Wales and each applicant submits to the exclusive jurisdiction of the Courts of the State of New South Wales.

## 12.17 Electronic Prospectus

Pursuant to Class Order 00/44, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus on the basis of a paper prospectus lodged with ASIC and the issue of securities in response to an electronic Application Form subject to compliance with certain provisions.

If you have received this Prospectus as an electronic prospectus please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please email the Company at TMZ@thomsonresources.com.au and the Company will send to you, for free, either a hard copy or a further electronic copy of the Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such case, the Application Monies received will be dealt with in accordance with section 722 of the Corporations Act.

## 12.18 Directors' Consent

The Directors state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that any statements by the Directors in this Prospectus are not misleading or deceptive and that with respect to any other statements made in this Prospectus by persons other than Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that persons making those other statements were competent to make such statements, those persons having given their consent to the issue of this Prospectus and not withdrawn that consent before lodgement of this Prospectus with ASIC, or to the Directors' knowledge, before any issue of Shares pursuant to this Prospectus. The Prospectus is prepared on the basis that certain matters may be reasonably expected to be known to likely investors or their professional advisers.

Each of the Directors (Eoin Rothery, Antonio Belperio, Greg Jones and Lindsay Gilligan) has consented in writing to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Dated: 22 October 2010

Signed for and on behalf of the Company

**Lindsay Gilligan**
*Chairman*

# Definitions 13

## In this Prospectus, unless the context otherwise requires:

**"A$"** and **"$"** means Australian dollars, unless otherwise stated.

**"Applicant"** means a person who submits an Application.

**"Application"** means a valid application to subscribe for Shares.

**"Application Form"** means the Priority Application Form or the Public Application Form contained in this Prospectus or a copy of an Application Form contained in this Prospectus or a direct derivative of an Application Form contained in this Prospectus.

**"Application Monies"** means $0.20, being the amount payable in respect of each Share under the Offer, multiplied by the number of Shares for which an Applicant has applied.

**"ASIC"** or **"Commission"** means Australian Securities and Investments Commission.

**"ASTC"** means ASX Settlement Pty Ltd (ACN 008 504 532).

**"ASTC Settlement Rules"** means the operating rules of the ASTC and, to the extent that they are applicable, the operating rules of ASX and the operating rules of Australian Clearing House Pty Ltd (ACN 001 314 503).

**"ASX"** means ASX Limited (ACN 008 624 691).

**"Board of Directors"** and **"Board"** means Board of Directors of the Company unless the context indicates otherwise.

**"Business Day"** means a day on which the trading banks are open in Sydney, New South Wales.

**"CHESS"** means ASX Clearing House Electronic Subregistry System.

**"Closing Date"** means the date on which the Offer closes.

**"Company"** means Thomson Resources Ltd (ACN 138 358 728).

**"Completion of the Offer"** means the allotment of all the Shares offered under this Prospectus.

**"Corporations Act"** means the *Corporations Act 2001* of Australia.

**"Directors"** means directors of the Company unless the context indicates otherwise.

**"EL"** and **"Exploration Licence"** means an area granted under the Mining Act in respect to mineral exploration.

**"ELA"** and **"Application for Exploration Licence"** means an Exploration Licence application.

**"email"** means an electronic mail service that allows users to send and receive messages via the internet.

**"EST"** means Eastern Standard Time as applicable in Sydney, New South Wales and references to time in this Prospectus are references to EST.

**"Exposure Period"** means the period of seven days (or longer as ASIC may direct) from the date of lodgment of the Prospectus with ASIC.

**"HIN"** means holder identification number.

**"Issue"** means the issue of Shares pursuant to this Prospectus.

**"Issuer Sponsored"** means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

**"Lead Manager"** means Martin Place Securities Pty Limited (ACN 094 927 947).

**"Listing Date"** means the date the Company is admitted to the Official List.

**"Listing Rules"** means listing rules of ASX.

**"Mining Act"** means the Mining Act 1992 of New South Wales.

**"Minotaur"**, **"Minotaur Exploration"** or **"Minotaur Exploration Limited"** means Minotaur Exploration Limited (ACN 108 483 601).

**"Minotaur Shareholder"** means a shareholder in Minotaur.

**"NSW"** means New South Wales.

**"Offer"** means the invitation to apply for Shares pursuant to this Prospectus.

**"Offer Period"** means period commencing on the Opening Date and ending on the Priority Offer Closing Date in respect of the Priority Offer and the Closing Date in respect of the Public Offer.

**"Official List"** means the Official List of ASX.

**"Opening Date"** means the date immediately following the expiry of the Exposure Period.

**"Optionholder"** means a holder of an Option.

**"Option"** means an option to acquire a Share.

**"Participant"** means a participant for the purpose of CHESS.

**"PlatSearch"** or **"PlatSearch NL"** means PlatSearch NL (ACN 003 254 395).

**"PlatSearch Shareholder"** means a shareholder in PlatSearch.

**"Priority Application Form"** means the priority application form attached to and forming part of this Prospectus.

**"Priority Offer"** means the priority offer made to Minotaur Shareholders and PlatSearch Shareholders on the terms set out in Section 2.5 of this Prospectus.

**"Priority Offer Closing Date"** means the date on which the Priority Offer closes.

**"Prospectus"** means this disclosure document.

**"Public Application Form"** means the public application form attached to and forming part of this Prospectus.

**"Public Offer"** means the offer to the public on the terms set out in Section 2.6 of this Prospectus.

**"Quotation"** means quotation of the Shares on the Official List.

**"Share"** means a fully paid ordinary share in the capital of the Company.

**"Shareholder"** means a holder of a Share.

**"Thomson Resources Ltd"** and "**Thomson Resources**" means Thomson Resources Ltd (ACN 138 358 728).

**"Subsidiary"** has the same meaning as in section 9 of the Corporations Act.

**"Tenement"** means an Exploration Licence or any other form of mineral licence or title held or applied for by the Company or in which the Company has an interest.

# Glossary of Technical Terms

14

**Terms not included in the glossary are used in accordance with their definition in the Concise Oxford Dictionary.**

| | |
|---|---|
| **acid/acidic** | A descriptive term applied to igneous rocks that contain more than 60% silica ($SiO_2$) |
| **aeromagnetic survey** | Geophysical method utilising an airborne magnetometer to measure the rocks magnetic field |
| **Ag** | The chemical symbol for silver |
| **air core** | A rotary drilling technique that uses compressed air to cut a cire sample and return the fragments to the surface inside the drill rod |
| **albite** | A type of plagioclase feldspar |
| **alluvial (alluvium)** | Sediment deposited by a stream or river |
| **alkaline** | An igneous rock chemically undersaturated with respect to silica; most commonly alkali olivine basalts |
| **alteration** | Change in the mineralogical and chemical composition of a rock, generally produced by hydrothermal fluids, oxidation or weathering |
| **amphibolite** | A crystalline rock consisting mainly of amphibole and feldspar with little or no quartz |
| **andesite** | A volcanic rock of intermediate composition |
| **anomaly(ies)** | Value higher or lower than the norm |
| **anticline** | A fold in rock strata that is convex upwards with a core of older rocks |
| **arc** | A volcanic ridge |
| **argillic** | A type of alteration where certain minerals are converted to clays |
| **arsenopyrite** | A sulphide mineral of iron and arsenic (FeAsS) |
| **As** | The chemical symbol for arsenic |
| **Au** | The chemical symbol for gold |
| **augite** | A rock forming mineral of the pyroxene series |
| **B** | The chemical symbol for boron |
| **banded iron formation (BIF)** | Finely banded, stratiform, siliceous, hematite deposits of significant thickness and extent |
| **basalt/basaltic** | A fine grained dark coloured extrusive volcanic rock with a low silica content |
| **base metal** | Generally a non-ferrous metal inferior in value to the precious metals; usually and especially copper, lead, zinc, nickel |
| **basement** | Older rocks below a significant unconformity. In the context of the TFB, this means Silurian-early Devonian rocks (same age as Cobar basin), or older rocks, underneath younger Mesozoic rocks of the Eromanga basin |
| **basin** | A low area in the earth's crust, of tectonic origin, in which sediments have accumulated |
| **Bi** | The chemical symbol for bismuth |
| **biotite** | A common rock forming silicate mineral of the mica group, containing varying proportions of potassium, iron magnesium and aluminium |

| | |
|---|---|
| **breccia/brecciated** | A coarse-grained rock consisting of angular broken rock fragments held together by a fine-grained matrix, distinct from conglomerate |
| **Ca** | The chemical symbol for calcium |
| **calcic** | Containing calcium (chemical symbol Ca) |
| **calc-alkaline** | A diverse suite of silica-saturated, iron-poor rock types including volcanic types such as basalt, andesite, dacite, rhyolite, and also their coarser-grained intrusive equivalents (gabbro, diorite, granodiorite, and granite) |
| **carbonaceous** | Carbon bearing, usually referring to sedimentary rock |
| **carbonate mineral (carbonates)** | A mineral formed by the combination of the complex ion $(CO_3)_2$- with positive ions, e.g. calcite ($CaCO_3$) |
| **chalcopyrite** | A sulphide mineral of iron and copper ($CuFeS_2$) |
| **chert** | A hard, dense microcrystalline or cryptocrystalline siliceous rock |
| **chlorite** | A green plate-like iron-magnesium rich silicate mineral |
| **clinopyroxene** | A pyroxene mineral with monoclinic crystal symmetry |
| **Co** | The chemical symbol for cobalt |
| **Cobar-type** | Mineral deposits of the type that occur in the Cobar area, e.g. Endeavor, The Peak, CSA, or Hera |
| **conductor** | Rock unit that electric currents flow preferentially through |
| **conglomerate** | A sedimentary rock formed by the cementing together of rounded, water-worn pebbles, distinct from breccia |
| **core** | Cylindrical sample of rock produced by diamond drilling |
| **core drilling** | Drilling to produce cylindrical rock sample; usually diamond drilling |
| **cover** | Younger rocks overlying prospective horizons |
| **crackle vein** | A type of vein associated with multiple branches and brecciation. Common in mineralised systems |
| **craton** | Ancient area of the Earth's crust no longer affected by mountain building activity |
| **cross section** | A diagram that that shows features transacted by a vertical plane drawn at right angles to the longer axis of a geological feature |
| **Cu** | The chemical symbol for copper |
| **cut-off grade** | Analytical value used in mineral resource estimation and ore reserve calculation as the lowest grade of mineralised material that can be economically extracted |
| **Devonian** | a geologic period of the Paleozoic Era spanning from 416 to 359 million years ago |
| **diamond drilling (DDH)** | Rotary drilling with diamond-impregnated bits to produce a solid continuous core sample of rock |
| **Dip** | The angle that a stratum or planar feature such as a fault makes with the horizontal, measured perpendicular to the strike and in the vertical plane |
| **Diorite** | A coarse grained igneous rock of intermediate composition between acidic and basic (i.e. between granite and gabbro) |
| **disseminated** | Minerals which are scattered as small particles throughout a rock |
| **Dolerite** | A medium grained plutonic rock with the composition of basalt |
| **Dolomite/dolomitic/ dolomitisation** | Dolomite is a carbonate mineral with calcium and magnesium cations [$CaMg(Co_3)_2$] ; rock containing dolomite; carbonate minerals in a rock converted to dolomite |
| **drill core** | The cylindrical cutting recovered by means of diamond drilling |
| **drill hole** | In mineral exploration, a hole bored into prospective ground to recover cuttings and cores indicative of rock types and grades of mineralisation encountered in the hole |
| **Drilling** | In mineral exploration, boring a hole into prospective ground to recover cuttings indicative of rock types and grades of mineralisation |
| **dunite** | An intrusive igneous rock dominated by olivine |
| **Dyke** | A tabular igneous intrusion cutting across the bedding or other planar structures |

| | |
|---|---|
| **electromagnetic (EM)** | A geophysical method employing the generation of electromagnetic waves at the earth's surface. When the waves impinge on a conducting formation or sulphide rich body at depth they induce an electrical response that can be detected by instruments |
| **exhalite** | A chemical sedimentary rock formed by the issuing of volcanically derived fluids onto the sea floor or into the sea |
| **Exploration Licence (EL)** | A tenement on which mineral exploration may take place |
| **F** | The chemical symbol for fluorine |
| **fault** | A break or discontinuity in the subsurface strata across which there has been vertical and/or lateral displacement |
| **Fe** | The chemical symbol for iron |
| **feasibility study** | A technical and financial study of a project at sufficient level of accuracy and detail to allow a decision as to whether or not the project should proceed |
| **feldspar** | A group of silicate minerals containing varying amounts of aluminium, sodium, potassium and other elements |
| **feldspathic** | Rock or mineral aggregate containing feldspar |
| **felsic** | Applied to an igneous rock containing an abundance of light coloured minerals such as quartz and feldspar |
| **ferruginous** | Said of a rock having a rusty colour due to the presence of iron oxide |
| **fold** | A flexure or arch in rock strata induced by tectonic deformation processes |
| **Fold Belt** | Area of rocks now folded and faulted into complex geometries, and intruded by various igneous bodies, usually originally a sedimentary basin |
| **footwall** | Wall rock beneath an inclined vein, fault or mineral deposit |
| **Formation** | A body of rock strata that consists dominantly of a certain lithological type or combination of types; a subdivision of a Group |
| **g** | gram |
| **g/t** | gram/tonne |
| **gabbro** | A coarse grained intrusive igneous rock with the approximate composition of basalt |
| **galena** | Lead sulphide mineral (PbS) |
| **gangue mineral** | commercially worthless material that surrounds, or is closely mixed with, a wanted ore |
| **garnet/garnetiferous** | A group of silicate minerals that contain variable amounts of calcium, magnesium, iron and manganese; commonly found in metamorphic rocks |
| **GIS** | Geographic Information System – a method of recording data and the relative position of the data points |
| **geochemical sampling** | Systematic collection of rock or soil samples in order to study their chemistry |
| **geochemical survey** | A systematic study of the variation of chemical elements in rocks or soils |
| **geochemically anomalous** | An area having elevated levels of specified elements in rocks or soils |
| **geophysics** | The science of rock properties including magnetic, electrical, density, conductivity, wave velocity |
| **gossan (ous)** | An iron rich, often spongy rock found at or near the surface, produced by the weathering and/or oxidation of sulphide minerals and the leaching out of the sulphur and often some of the metals |
| **grade** | Average quantity of ore or metal in a specified quantity of rock |
| **granite/granitic** | Coarse-grained acid igneous rock containing quartz and feldspar |
| **granodiorite** | A plutonic rock consisting of quartz, calcium/sodium-rich and potassium-rich feldspars as well as some mafic minerals such as biotite, hornblende etc |
| **ground magnetic survey** | Surface geophysical survey measuring variations in the earth's magnetic field intensity |
| **Group** | The formal stratigraphic unit next in rank above Formation. A Group includes two or more associated Formations with significant features in common |
| **halo** | Altered or veined rocks around a mineral deposit |

| | |
|---|---|
| **hanging wall** | The wall rock above an inclined vein, fault or mineral deposit |
| **hematite** | A red iron oxide mineral [$Fe_2O_3$] |
| **Hg** | The chemical symbol for mercury |
| **high-grade** | A grade of ore, which if found in sufficient quantity, would provide a significant economic return |
| **hornblende** | A common mineral of the amphibole group especially in igneous and metamorphic rocks |
| **hydrothermal alteration** | Alteration of rocks or minerals due to reaction with hot aqueous solutions usually associated with magmatic activity |
| **igneous** | A term applied to rocks formed from solidification of molten material either at surface (volcanic) or at depth (intrusive) |
| **induced polarisation ("IP")** | A surface electrical geophysical surveying method |
| **inlier** | Group of rocks surrounded by rocks of a younger age |
| **intermediate** | Descriptive of igneous rocks lying midway between acid and basic in composition |
| **intrusive** | Of or pertaining to intrusion, both the process and the rock so formed |
| **IOCG** | Iron oxide copper gold – a style of mineralisation where copper and/or gold is hosted in an iron oxide rich rock |
| **ironstone** | Rock containing a large proportion of iron oxides |
| **JORC** | "Joint Ore Reserve Committee" - Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves 2004 Edition |
| **K** | The chemical symbol for potassium |
| **km** | Kilometre: 1kilometre = 1,000 metres |
| **km²** | Square kilometre: 1 square kilometre = an area of 1,000 metres by 1,000 metres |
| **Lachlan Fold Belt** | A strongly mineralised belt of rocks in central NSW containing the world class mineral deposits Endeavor (near Cobar), Cadia (near Orange) and North Parkes |
| **leucoxene** | a fine granular alteration product of titanium minerals |
| **limonite/limonitic** | A field term for a group of brown amorphous hydrous iron oxide minerals |
| **lineament** | A large scale linear topographic feature that is believed to reflect crustal structure |
| **lithology (-ies)** | Rock type |
| **lode** | Colloquial term for a rock formation in which there are indications (usually gangue minerals or alteration) that metalliferous concentrations may occur |
| **long section** | A diagram that that shows features transacted by a vertical plane drawn parallel to the longer axis of a geological feature |
| **m** | Metre: 1 metre = 100 centimetres |
| **M** | Million |
| **mafic** | An igneous rock with high magnesium and iron content, usually dark in colour. |
| **magma (tic)** | Igneous rock, usually referring to hot rocks derived from deep within the Earth's crust or upper mantle, which intrude closer to surface and may cool down in a magma "chamber" |
| **magnetite** | A magnetic black iron oxide mineral [$Fe_3O_4$} |
| **malachite** | A bright green copper carbonate mineral [$Cu_2CO_3(OH)_2$] |
| **Macquarie Arc** | A region of the Lachlan Fold Belt interpreted as an ancient volcanic ridge hosting the giant ore deposits of Cadia and North Parkes |
| **Mesoproterozoic** | The middle part of the Proterozoic, lasting from about 1,600–1,000 Ma |
| **Mesozoic** | a geologic Era spanning from 251 to 65 million years ago |
| **metabasalt** | A metamorphosed basalt |
| **metamorphic** | Rocks formed in response to pronounced changes in temperature, pressure or chemical environment |

| | |
|---|---|
| **metasediment** | Sedimentary rock that has been metamorphosed |
| **metavolcanic** | A metamorphosed volcanic rock |
| **Mg** | The chemical symbol for magnesium |
| **Mining Claim (MC); Mineral Lease (ML)** | A tenement on which mining may take place |
| **mineralisation** | The process of concentration of metals and their compounds in rock mass; also a term used to refer to a body of rock containing an assemblage of valuable minerals |
| **Mn** | The chemical symbol for manganese |
| **Mo** | The chemical symbol for molybdenum |
| **molybdenite** | Molybdenum sulphide ($MoS_2$), the main ore mineral of molybdenum |
| **Mt** | Million tonnes |
| **MVT** | Mississippi Valley Type – a particular style of lead–zinc mineralisation |
| **Neoproterozoic** | The most recent part of the Proterozoic, from about 1,000–542 Ma |
| **nugget** | The propensity of ore minerals to cluster together e.g. "nugget effect" |
| **olivine** | a magnesium iron silicate with the formula $(Mg,Fe)_2SiO_4$, found in ultramafic and mafic rocks |
| **ophiolite** | a section of the Earth's oceanic crust and the underlying upper mantle that has been uplifted or emplaced to be exposed within continental crustal rocks |
| **Ordovician** | a geologic period of the Paleozoic Era spanning from 488 to 444 million years ago |
| **orogenic gold** | A type of gold deposit commonly found in Fold Belts |
| **orthoclase** | A type of feldspar (relatively rich in potassium) |
| **outcrop** | Rock exposed to view at the surface and physically connected to solid rock at depth |
| **ounce (oz)** | troy ounce: 12 troy ounces = 1 Avoirdupois pound (lb), 1 oz = 31.103477 g |
| **P** | The chemical symbol for phosphorus |
| **Palaeoproterozoic** | The earliest part of the Proterozoic, lasting from about 2500-1600 Ma |
| **Pb** | The chemical symbol for lead |
| **pegmatite** | An exceptionally coarse-grained igneous or metamorphic rock with interlocking crystals |
| **pentlandite** | an iron-nickel sulfide, $(Fe,Ni)_9S_8$ |
| **percussion drilling** | A method of drilling involving a down hole hammer breaking the rock and the rock fragments are brought to surface by compressed air and can be collected for analysis |
| **pelite** | A metamorphic rock formed by the metamorphism of clay-rich sedimentary rocks |
| **petrology** | The study of rocks |
| **PGE** | Platinum Group Elements (or Metals – PGM) – ruthenium (Ru), rhodium (Rh), palladium (Pd), osmium (Os), iridium (Ir), and platinum (Pt). They have similar physical and chemical properties, and tend to occur together in the same mineral deposits |
| **phenocryst** | A larger mineral in an igneous rock |
| **phyllite** | Metamorphosed and cleaved fine grained sediments intermediate between slate and schist |
| **plagioclase** | A type of feldspar (relatively rich in sodium) |
| **plunge** | The angle (downwards) made by a line with the surface of the Earth |
| **pluton** | A body of igneous rock (usually coarse grained) that has crystallised deep below the earth's surface |
| **polymetallic** | A number of different metallic mineral species, applied to a vein or other type of deposit |
| **porphyry** | An igneous intrusive rock, sometimes associated with large mineral deposits of copper and copper-gold |

| | |
|---|---|
| **potassic** | Containing potassium (chemical symbol K); often referring to a style of hydrothermal alteration which has generated secondary potassium rich minerals such as biotite and potassium feldspar |
| **ppm** | parts per million, 1ppm = 1g/th |
| **precious metals** | Includes gold, silver and the platinum group metals |
| **Proterozoic** | The upper division of the Precambrian era, extending from 2500 to 542 million years ago |
| **Province** | Region or area of large extent with similar features throughout and capable of being considered as a unit |
| **pyrite** | Common iron sulphide mineral ($FeS_2$) |
| **pyroxene** | One of a group of important rock-forming silicate minerals found in many igneous and metamorphic rocks |
| **pyrrhotite** | A magnetic iron sulphide [$Fe_1$-xS] |
| **quartz** | A mineral composed of silicon and oxygen ($SiO_2$) |
| **RAB** | Rotary air blast – a rotary drilling method where compressed air is used to raise the drill cuttings |
| **radiometric survey** | A geophysical survey that measures the radioactivity at the earth's surface |
| **rare earth elements (REE)** | A series of 15 elements including lanthanum, yttrium, thorium and scandium |
| **Rb** | The chemical symbol for rubidium |
| **RC** | Reverse Circulation - a percussion drilling technique in which the cuttings are recovered up the inside of the drill rods to minimise contamination from the wall of the hole |
| **rock chip sampling** | Obtaining a sample, generally for assay, by breaking chips off a rock face |
| **rotary mud** | A drilling technique to get through softer rocks. No core is obtained |
| **S** | The chemical symbol for sulphur |
| **saline** | Fluid with a very high salt content |
| **sandstone** | A clastic sedimentary rock composed of sand sized grains |
| **scheelite** | Calcium tungsten oxide $CaWO_4$ |
| **schist** | A strongly foliated crystalline rock formed by a dynamic metamorphism, that can be readily split into thin flakes or slabs due to the well developed parallelism of more than 50% of the minerals |
| **secondary minerals** | Minerals formed from the breakdown of earlier minerals |
| **sediment** | Rock or unconsolidated material formed from particles deposited from suspension in water, ice or air |
| **sericite** | A fine grained form of mica formed by the chemical alteration of other minerals, usually feldspar |
| **shale** | A fine grained laminated sedimentary rock |
| **shear** | A deformation resulting from stresses that cause contiguous parts of a body to slide relative to each other in a direction parallel to their plane of contact |
| **shoshonitic** | Shoshonite is a basaltic rock, composed of olivine, augite and plagioclase phenocrysts in a groundmass containing dark-coloured volcanic glass |
| **siliceous** | Rock with a very high silica content |
| **silicified** | The introduction of, or replacement by, silica, which may replace existing minerals |
| **siltstone** | A sedimentary rock composed of silt-sized particles |
| **Silurian** | a geologic period of the Paleozoic Era spanning from 444 to 416 million years ago |
| **Sn** | The chemical symbol for tin |
| **sodic** | Containing sodium (chemical symbol Na) |
| **soil geochemistry** | A systematic sampling and chemical analysis of soils |
| **sphalerite** | A sulphide mineral of zinc and iron [(Zn, Fe)S], the main ore mineral of zinc |
| **sq km** | Square kilometre |

| | |
|---|---|
| **stockwork veining** | A vein system consisting of a three dimensional network of planar to irregular veinlets |
| **stratabound** | Confined to a particular strata |
| **stratiform** | A body (e.g. a mineral deposit) that is concordant with bedding, usually in sheets but may be ribbon-like |
| **stratigraphic/stratigraphy** | The arrangement of strata as to its geographic position and chronological order of sequence |
| **stream sediment geochemistry** | Systematic sampling and chemical analysis of sediments within drainage channels |
| **stringer vein** | The type of small narrow vein often found in stockworks |
| **strike** | Trend or direction of rock strata in a horizontal plane; to extend in that direction |
| **sulphide** | A mineral compound characterised by the linkage of sulphur with metal |
| **supergene (secondary enrichment)** | Said of a mineral deposit or enrichment formed near the surface of the earth, commonly by descending solutions |
| **Supergroup** | The formal stratigraphic unit next in rank above Group |
| **syncline** | A fold in rock strata that is concave upwards with a core of younger rocks |
| **synform** | A basin or trough-shaped fold whose younger strata may be above or below older ones |
| **synsedimentary** | Formed at the same time as a sedimentary bed (usually refers to mineralisation |
| **T or t** | Tonne: a metric tonne, 1 tonne = 1,000 kilograms |
| **tectonic** | Pertaining to the forces involved in or the resulting structures of tectonics |
| **TFB** | Thomson Fold Belt, a frontier exploration region located in the sparsely populated north western NSW, 800kilometres northwest of Sydney, between the regional centres of Bourke and Tibooburra |
| **tenement** | A land use instrument issued by state governments for regulation of mineral exploration and mining (usually EL or ML) |
| **Th** | The chemical symbol for thorium |
| **Ti** | The chemical symbol for titanium |
| **transfer fault** | A particular kind of fault associated with extensional basins, allowing the juxtaposition of two fault zones which have different displacement characteristics |
| **tremolite** | a member of the amphibole group of silicate minerals with composition: $Ca_2Mg_5Si_8O_{22}(OH)_2$ |
| **tuff (-aceous)** | Volcanic ash strata (derived from weathering of, or containing, tuff strata) |
| **ultramafic** | Igneous rocks consisting chiefly of dark ferromagnesium minerals, low silica |
| **unconformable(-y)** | Descriptive of rocks on either side of an unconformity |
| **unconformity** | Lack of parallelism between rock strata in sequential contact, caused by a time break in sedimentation |
| **vein** | Generally tabular mineral deposit, usually relatively narrow and occurring between well defined walls |
| **VMS** | A mineral deposit type – "volcanogenic massive sulphide", modern examples of which have been found extruding onto ocean floors e.g. in the Pacific |
| **volcanic** | Rock erupted from a volcano on to the earth's surface |
| **volcaniclastic** | A sedimentary rock made up mostly of volcanic debris |
| **W** | The chemical symbol for tungsten |
| **wolframite (wolfram)** | A tungsten oxide mineral $[(Fe,Mn)WO_4]$ |
| **Zn** | The chemical symbol for zinc |

# 15 Corporate Directory

## BOARD OF DIRECTORS

| | |
|---|---|
| **Lindsay Gilligan** | *Chairman* |
| **Eoin Rothery** | *Chief Executive Officer* |
| **Gregory F P Jones** | *Non-Executive Director* |
| **Antonio Belperio** | *Non-Executive Director* |

## COMPANY SECRETARY

**Ivo Polovineo**

## REGISTERED AND ADMINISTRATION OFFICE

Level 1, 80 Chandos Street
St Leonards
*or*
PO Box 956, Crows Nest
NSW 1585 Australia.

| | |
|---|---|
| Telephone: | +61 2 9906 6225 |
| Facsimile: | +61 2 9906 5233 |
| Email: | TMZ@thomsonresources.com.au |
| Website: | www.thomsonresources.com.au |

## SHARE REGISTRY

**Registries Limited**
Level 7, 207 Kent Street
Sydney, NSW 2000
GPO Box 3993
Sydney, NSW 2001

| | |
|---|---|
| Telephone: | +61 2 9290 9600 |
| Facsimile: | +61 2 9279 0664 |
| Website: | www.registries.com.au |

## LEAD MANAGER

**Martin Place Securities Pty Ltd**
Level 3, 14 Martin Place
Sydney NSW 2000

| | |
|---|---|
| Telephone: | +61 2 9222 9111 |
| Facsimile: | +61 2 8224 9699 |
| Website: | www.mpsecurities.com.au |

## AUDITORS AND INDEPENDENT ACCOUNTANTS

**Barnes Dowell James**
Level 13, 122 Arthur Street
North Sydney, NSW 2060

## SOLICITORS TO THE COMPANY

**O'Loughlins Lawyers**
Level 2, 99 Frome Street
Adelaide, SA 5000

## INDEPENDENT GEOLOGIST

**John B Seeley**
37 Alfred Road
Sutton, NSW 2620

## INDEPENDENT TENEMENT CONSULTANT

**Mining Title Services Pty Ltd**
100/2 Artarmon Road
Willoughby, NSW 2068

PIN CHEQUE(S) HERE

# Public Application Form

# Thomson Resources Ltd

ACN 138 358 728

Broker Reference – Stamp Only

Broker Code

Advisor Code

Fill out this Application Form if you wish to apply for shares in Thomson Resources Ltd

- Please read the Prospectus dated **22 October 2010**.
- Follow the instructions to complete this Application Form (see reverse).
- Print clearly in capital letters using black or blue pen.

**A** **Number of shares you are applying for**

**x $0.20 per share =**

**B** **Total amount payable**

Minimum of **10,000** shares to be applied for, and thereafter in multiples of **1,000** shares.

**C** **Write the name(s) you wish to register the shares in *(see reverse for instructions)***

Applicant 1

Name of Applicant 2 or < Account Designation >

Name of Applicant 3 or < Account Designation >

**D** **Write your postal address here**

Number / Street

Suburb/Town

State

Postcode

**E** **CHESS participant – Holder Identification Number (HIN)**

X

***Important please note*** *if the name & address details above in sections C & D do not match exactly with your registration details held at CHESS, any Securities issued as a result of your application will be held on the Issuer Sponsored subregister.*

**F** **Enter your Tax File Number(s), ABN, or exemption category**

Applicant #1

Applicant #2

Applicant #3

**G** **Cheque payment details**

Please enter details of the cheque(s) that accompany this application.

| Name of drawer of cheque | Cheque No. | BSB No. | Account No. | Cheque Amount A$ |
|---|---|---|---|---|
| | | | | |
| | | | | |

**H** **Contact telephone number (daytime/work/mobile)**

**I** **Email address**

By submitting this Application Form, I/we declare that this Application is completed and lodged according to the Prospectus and the instructions on the reverse of the Application Form, and declare that all details and statements made by me/us are complete and accurate. I/We agree to be bound by the constitution of Thomson Resources Ltd (the Company). I/We was/were given access to the Prospectus together with the Application Form. I/We represent, warrant and undertake to the Company that our subscription for the above shares will not cause the Company or me/us to violate the laws of Australia or any other jurisdiction which may be applicable to this subscription for shares in the Company.

# Guide to the Application Form

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D. Enter your ***postal address*** for all correspondence. All communications to you from the Company will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

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G. Complete ***cheque details*** as requested. Make your cheque payable to **Thomson Resources Ltd - New Issue Account** in Australian currency, cross it and mark it **"Not Negotiable"**. Cheques must be made in Australian currency, and cheques must be drawn on an Australian Bank.

H. Enter your ***contact details*** so we may contact you regarding your Application Form or Application Monies.

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## Correct Forms of Registrable Title

Note that ONLY legal entities can hold the Shares. The Application must be in the name of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and surname is required for each natural person.

Examples of the correct form of registrable title are set out below.

| Type of Investor | Correct Form of Registrable Title | Incorrect Form of Registrable Title |
|---|---|---|
| Trusts | Mr John David Smith<br><J D Smith Family A/C> | John Smith Family Trust |
| Deceased Estates | Mr Michael Peter Smith<br><Est Lte John Smith A/C> | John Smith (deceased) |
| Partnerships | Mr John David Smith & Mr Ian Lee Smith | John Smith & Son |
| Clubs/Unincorporated Bodies | Mr John David Smith<br><Smith Investment A/C> | Smith Investment Club |
| Superannuation Funds | Mr John Smith & Mrs Mary Smith<br><Smith Family Super Fund A/C> | John & Mary Smith Superannuation Fund |

## Lodgement

Mail your completed Application Form with cheque(s) attached to the following address:

**Mailing address:**

Thomson Resources Ltd
C/- Registries Limited
GPO Box 3993
Sydney NSW 2001

**Delivery address:**

Thomson Resources Ltd
C/- Registries Limited
Level 7
207 Kent Street
SYDNEY NSW 2000

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**Privacy Statement:**

Registries Limited advises that Chapter 2C of the Corporations Act 2001 (Cth) requires information about you as a Shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your share holding and if some or all of the information is not collected then it might not be possible to administer your share holding. Your personal information may be disclosed to the entity in which you hold shares. You can obtain access to your personal information by contacting us at the address or telephone number shown on the Application Form. Our privacy policy is available on our website (http://www.registriesltd.com.au/help/share_privacy.html)

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THOMSON RESOURCES LTD
Level 1, 80 Chandos Street
St Leonards, NSW 2065 Australia.