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Quarter ending 30 June 2016

Quarterly Report

Highlights

- **Follow up drilling at the Bygoo tin discoveries planned.**
- **Further tin anomalies identified**

BYGOO TIN PROSPECTS

Planning is well advanced to follow up Thomson Resources (ASX:TMZ) tin discoveries at Bygoo North and South. Further modelling after the third round of drilling resulted in the estimation of an Exploration Target (as defined in the JORC Code, 2012) for the Bygoo Project. The Exploration Target estimated is 0.9 to 1.44 million tonnes of ore at 0.8% to 1.4% Sn (7,200 to 20,100 tonnes of contained tin). The potential quantity and grade is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource. The Exploration Target is based on three rounds of drilling by Thomson Resources over the past year as detailed in public reports (see JORC Table data below). Drilling is planned to test the validity of this Target and to convert it to resource status. This drilling is planned to commence in the September quarter.

OTHER TIN PROSPECTS

Thomson has been researching other tin prospects in the Ardlethan region, with a view to including them in the forthcoming drill program. In particular it is intended to include Big Bygoo and Bald Hill in the forthcoming program.

- **Big Bygoo**

This area lies around 2 kilometres south of the discoveries at Bygoo North and South. The prospects occur as outcropping greisens running for several hundred metres each and separated by areas of shallow cover, including cropped areas (Figure 1). The prospects are interpreted to be joined by mineralised structures. Notably, all of the prospects lie well within the Ardlethan Granite, whose boundary runs north-south a little east of Big Bygoo. As the Ardlethan Granite dips towards the east, prospective roof-zone greisens, as discovered at Bygoo North, may lie further east under cropped land and this possibility has not been tested to date.

Many old workings have been sunk on the outcropping greisens with active mining taking place between 1912 and 1939. According to Mine Records at least 10,600 tons of ore was mined from shallow depths, containing around 200 tons of tin.

Magnum Exploration explored the Big Bygoo, Temora Line and Lone Hand prospects in the early 1970s (EL 347). Magnum drilled 10 percussion and two diamond drill holes for a total of 875 metres. The percussion holes were all drilled vertically and many were abandoned before target depth. The follow up diamond holes yielded an intersection of 3.3 m at 0.9% Sn in a tourmaline greisen. This intersection was not followed up and this hole (DDH1, Figure 1) is considered the only effective drill hole in the area.

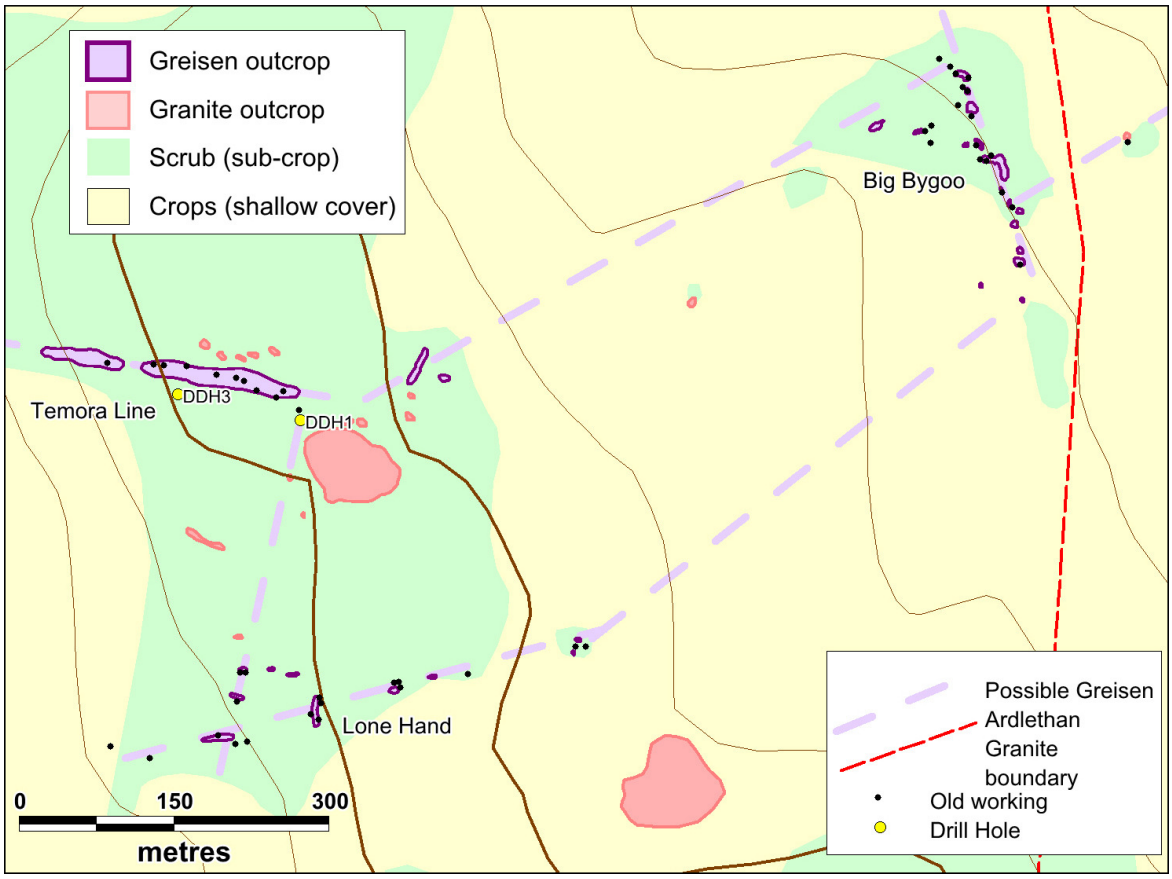

Figure 1: Big Bygoo area, showing rock outcrops, workings and historic drilling.

Drilling is planned to test each of the three prospects as well as the potential to the east.

- **Bald Hill**

This area lies around 10 kilometres south of the Ardlethan Mine and is very similar to the Big Bygoo area, with many old workings scattered over a 1000m x 500m area. Like Big Bygoo the old workings are shallow with only a small amount of tin recorded as produced. Shell Minerals drilled 15 shallow RAB and 3 diamond holes here between 1977 and 1982: again this is considered lightly tested. However, Bald Hill features a substantial alluvial tin deposit on its northern slopes. This indicates the potential for a considerable,

as yet undiscovered, hard rock tin deposit. Drilling is planned to test the various outcropping greisen zones.

Co-operative Drilling Grants

The NSW Government is planning to announce the award of New Frontiers Cooperative Drilling program Round 2 grants in July 2016. Thomson has applied for grant support for four projects (Mt Jacob, Cuttaburra A and B, F1).

Tenement Holdings

Thomson is exploring 628 square kilometres over eight granted titles, with an interest in six other tenements (484 square km) under joint venture arrangements with companies including Kidman Resources (ASX:KDR), Silver Mines Ltd (ASX:SVL) and Variscan Mines Ltd (ASX:VAR) as well as private investors.

Corporate

Exploration expenditure incurred during the quarter totalled $67,000. Cash at the end of the quarter was $152,000.

Thomson has no debt and had 99,005,156 shares on issue at quarter end.

Thomson Resources Ltd

Eoin Rothery
Chief Executive Officer

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Eoin Rothery, (MSc), who is a member of the Australian Institute of Geoscientists. Mr Rothery is a full time employee of Thomson Resources Ltd. 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 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Rothery consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

JORC Code, 2012 Edition – Table 1 report

Section 1 Sampling Techniques and Data

Criteria	Commentary
Sampling techniques	For Thomson drilling - 1m intervals were bagged as they were returned from drilling. A three tier hand held riffle splitter was then used to procure laboratory samples in calico bags. Magnum sampling techniques appear standard (Public Report GS1971_279.R00024868 on the NSW Govt. DIGS website).
Drilling techniques	Holes were all collared and drilled reverse circulation (RC), with the exception of BNRCD16 which had a diamond tail from 67m Drilling was carried out by Australian Mineral & Waterwell Drilling Pty Ltd. Magnum drilled 9 RAB/Percussion holes and 2 diamond holes in the Big Bygoo area in 1971. Details were given in Thomson's report of 13 April, 2015.
Drill sample recovery	Thomson recoveries are estimated at between 60-100%. Diamond recovery was 95-100%.
Logging	All holes were logged for geology.
Sub-sampling techniques and sample preparation	No sub-sampling was carried out.
Quality of assay data and laboratory tests	Duplicates and standards were submitted by Thomson along with the samples. Initial assessment indicates good quality. Samples were dried and pulverized to <75 microns at SGS laboratories in West Wyalong and dispatched for assay to SGS laboratories at Perth Airport. The assay method was XRF78S, where the samples are fused to a glass bead using a lithium metaborate/tetraborate flux and irradiated by XRF.
Verification of sampling and assaying	No independent verification has been carried out.
Location of data points	Thomson drill hole location was by Differential GPS; errors are less than 0.5m. Magnum drill hole location was by reference to maps in the report quoted above as well as conversion of Imperial grid co-ordinates.
Data spacing and distribution	The data spacing is irregular.
Orientation of data in relation to structure	Most Thomson holes were drilled at a 60˚ dip testing a model of steeply dipping veins and greisen. The Magnum RAB/Percussion holes were all drilled vertically and are considered ineffective; hence they have been omitted from Figure 1.
Sample security	No particular security measures were taken.
Audits or reviews	No independent audit or review undertaken as this was not thought to be required at this stage.

Section 2 Reporting of Exploration Results

Criteria	Commentary
Mineral tenement and land tenure status	All drill holes reported occur within NSW Exploration Licence EL 8260 held by Riverston Tin Pty Ltd, wholly owned by Thomson Resources Ltd.
Exploration by other parties	The historic drilling was detailed in Thomson's announcement of April 10, 2015 and relevant holes are shown on Figure 1.
Geology	Geology is described in the body of the release.
Drill hole Information	Thomson drilling data has been detailed in ASX releases of 13 July, 2015; 21 October, 2015; and 21 April, 2016.
Data aggregation methods	For the Exploration Target a modelling cut off of 0.2% Sn was generally applied to ore zone modelling. Internal waste was included.
Relationship between mineralisation widths and intercept lengths	All widths quoted are downhole widths. Assessment of true width is ongoing as part of the modelling exercise.
Diagrams	Plan, long and sectional views were provided in the ASX Releases mentioned above as well as in Quarterly Reports from June 2015 to the present.
Balanced reporting	All drilling carried out has been tabulated in the ASX Releases.
Other substantive exploration data	No significant exploration data has been omitted.
Further work	Modelling is continuing and further drilling is being planned.

Further Details of Exploration Target Estimation.

An Exploration Target is defined in terms of Grade and Tonnes expressed as a range from lower to higher estimates. The Thomson Exploration Target for Bygoo was originally presented in an ASX Release of 17 May, 2016. For the grade estimate an average grade was calculated from mineralised zones, as modelled in 3D. This is 1.4% and is estimated from 182 individual metre splits in 9 drill holes over a strike length of 100m. The 3D model was constructed with an external cut off of 0.2%, and was allowed to include internal waste up to 3m wide. The 0.2% cut off is the same used during mining at Ardlethan Tin Mine (Molina and Guj 1989). The maximum grade encountered was 11.1% and no top cut was applied.

For the Exploration Target grade range it was considered appropriate to use the median grade within the model (0.8%) as the lower number and the average grade (mean – 1.4%) as the higher.

In terms of volume the 3D model allows the estimation of true width as a range from 4m to 10m, with an average of 7m. For the Exploration Target a conservative range within these extremes was used of 5 to 8m.

In terms of strike extent the Bygoo North model is defined by close spaced drilling over 100m. The modelled zone actually extends 160m and is open to east and west; hence a strike length for the target of 300m is considered reasonable. Note that at Ardlethan the orebodies are 400 to 800m east of the surface exposure of the Ardlethan Granite.

For depth extent a conservative 80m was used for the target. From the 3D model, on many of the sections drilling defines extents of 40 to 50m. Hence the potential to prove up a depth extent of 80m is considered reasonable.

No specific gravity (SG) measurements have been taken to date. The granite is geotechnically sound from diamond drill log observations and should have a standard SG for granite of 2.6 to 2.7. Greisenisation may lower this SG slightly, but significant cassiterite mineralisation (mineral SG of 6.3) will compensate slightly. A conservative SG of 2.5 was selected.

In summary the target for the single zone identified to date at Bygoo North is [width 5 to 8m x strike 300m x depth 80m x SG 2.5] 300,000 to 480,000 tonnes. However as seen above there is potential for repeats

(a) adjacent to the zone defined already – e.g. BNRC13, 10m at 2.0% Sn

(b) at Bygoo South – e.g. 8m at 1.3% Sn and

(c) at Bygoo Central (one hole of 15m at 0.5% Sn) as well as further afield at Big Bygoo.

For the Exploration Target it was considered that finding two more (or several smaller zones) would be reasonable hence a final Exploration Target of **0.9 to 1.44 million tonnes at 0.8 to 1.4% Sn (7,200 to 20,100 tonnes of contained tin).**

Note - The potential quantity and grade is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource. Further drilling is planned to test the validity of the exploration target, potentially to estimate a JORC resource, and is expected to be completed by the end of 2016.