

Quarter ending 31 March 2014

Quarterly Report



Highlights

- **Advanced base and precious metal project acquired**
- **Previous intersections include 4m at 4.0g/t Au, 81g/t Ag from 2m depth**
- **VTEM Survey commissioned over key targets**
- **Co-operative drilling funding applied for Thomson Fold Belt**
- **Joint venture with Kidman Resources; Kidman to spend \$300,000 on Thomson tenements.**

Exploration

Havilah Project

As announced to the market on 4 April, Thomson (ASX: TMZ) has acquired the Havilah base and precious metal project (EL 7391) located approximately 20 kilometres southeast of Mudgee, central NSW from Newmont Exploration Pty Ltd in exchange for a 1% net smelter royalty. The Havilah Project lies within the Silurian Hill End Trough and is believed to have strong potential for volcanogenic massive sulphide (VMS) deposits also found in the region such as Lewis Ponds and Sunny Corner.

At Havilah, previous work has defined Zn, Pb, Au and Ag anomalism in soil and rock chip sampling coincident with a strong sericite-pyrite-silica alteration zone. The soil anomaly covers a large area of over 1000m by 400m, with just one drill hole completed within the anomaly to date. The alteration is hosted in rhyolitic to dacitic volcanoclastics, a typical setting for VMS deposits. The pyritic alteration has shown up strongly in a previous IP survey, which was not completed over the whole soil anomaly.

Historical drilling largely targeted more distal parts of the alteration system, returning the following intercepts (for full details see Tables 1 and 2):

- 4m at 4.0 g/t Au, 81 g/t Ag from 2m depth in CPDH10;
- 30m at 0.2 g/t Au from surface in HAV18
- 4m at 1.1% Pb, 0.7% Zn from 26m depth in CPDH4
- 4m at 0.9% Zn, 0.6% Pb from 122m depth in CPDH6 – this is the only hole drilled within the soil anomaly area.

The McPhillamys 2.5 million ounce gold deposit is also considered to have VMS affinities and lies on the western edge of the Hill End Trough in similar age and type rocks to the

Havilah Project. The presence of significant gold at Havilah suggests that a McPhillamys-type target is also a possibility.

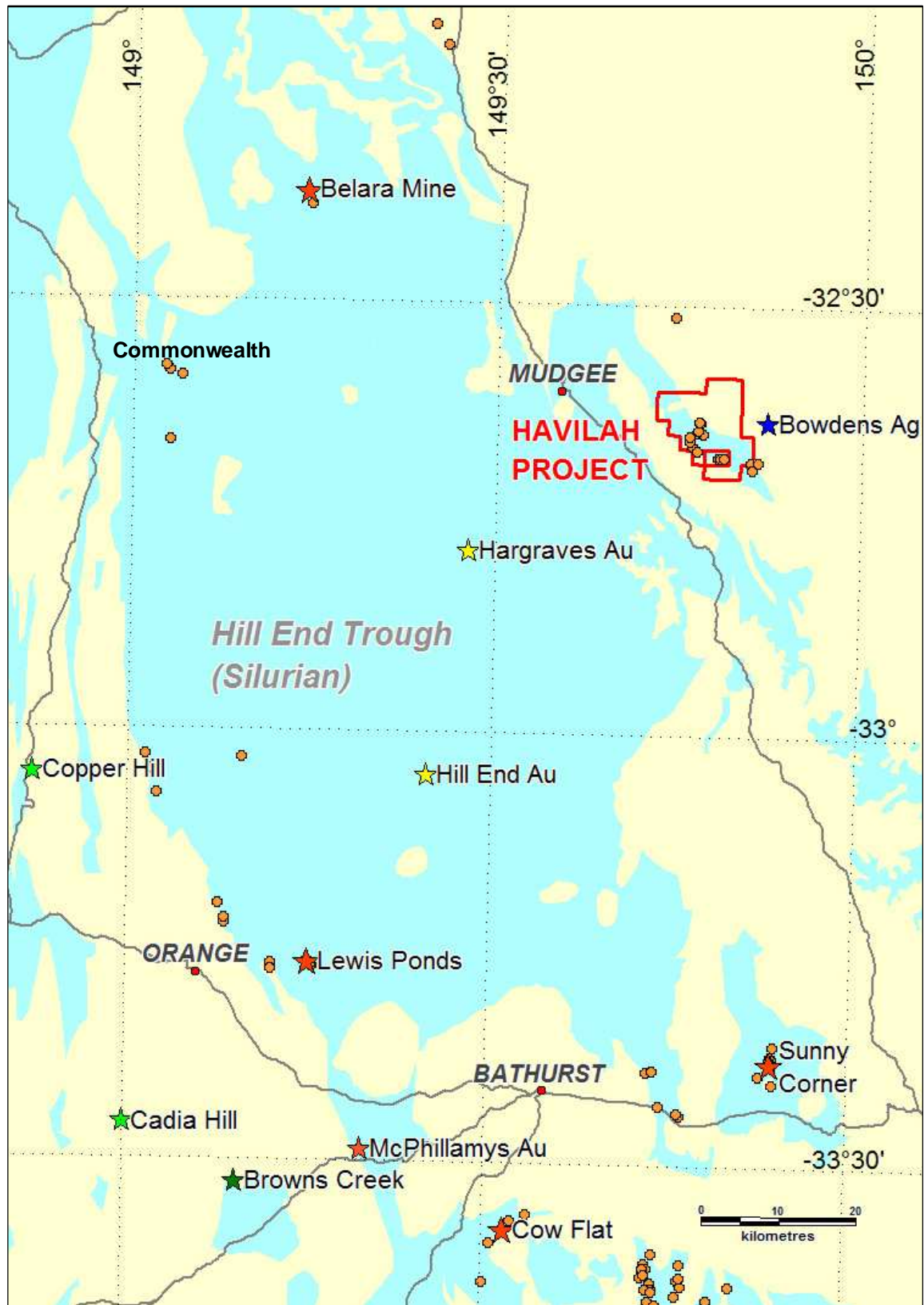


Figure 1. Location of the Havilah Project, NSW. VMS deposits are shown in red, with minor VMS prospects in orange. Orogenic gold deposits are shown in yellow, with porphyry deposits in green.

A VTEM survey (Versatile Time-Domain Electromagnetic geophysical system) has been commissioned to test the Havilah Project. VTEM is widely considered the best helicopter TEM massive sulphide detection and imaging tool with notable successes including the discovery of the Mallee Bull deposit in the Cobar Basin.

The VTEM survey will also be flown over several other priority prospects including the Wilga Downs VMS target (EL 8136), Furneys VMS (EL 8251) and the Wilgaroon tungsten prospect (EL 8011). The latter deposit type is often associated with the sulphide mineral pyrrhotite and the single hole drilled previously in the area intersected 250m of low grade cassiterite (tin) – sulphide mineralisation.

Mt Jacob Project (ELA 4961)

Thomson continued to compile the large amount of historical data on the Mt Jacob project located 40km west of Kempsey. Several drill targets have been generated from the data and compilation work is continuing.

Basin One Tin Skarn Prospect

At the Basin One prospect work by CRA Exploration defined a skarn-hosted tin-copper-zinc deposit over an area of 500m by 300m adjacent to the old Willi Willi copper mine. The mineralisation consists of chalcopyrite, cassiterite, sphalerite, pyrite, and arsenopyrite, and is essentially stratiform, dipping to the northwest at about 30 degrees.

Planned drilling seeks to confirm and extend the tin and copper mineralisation.

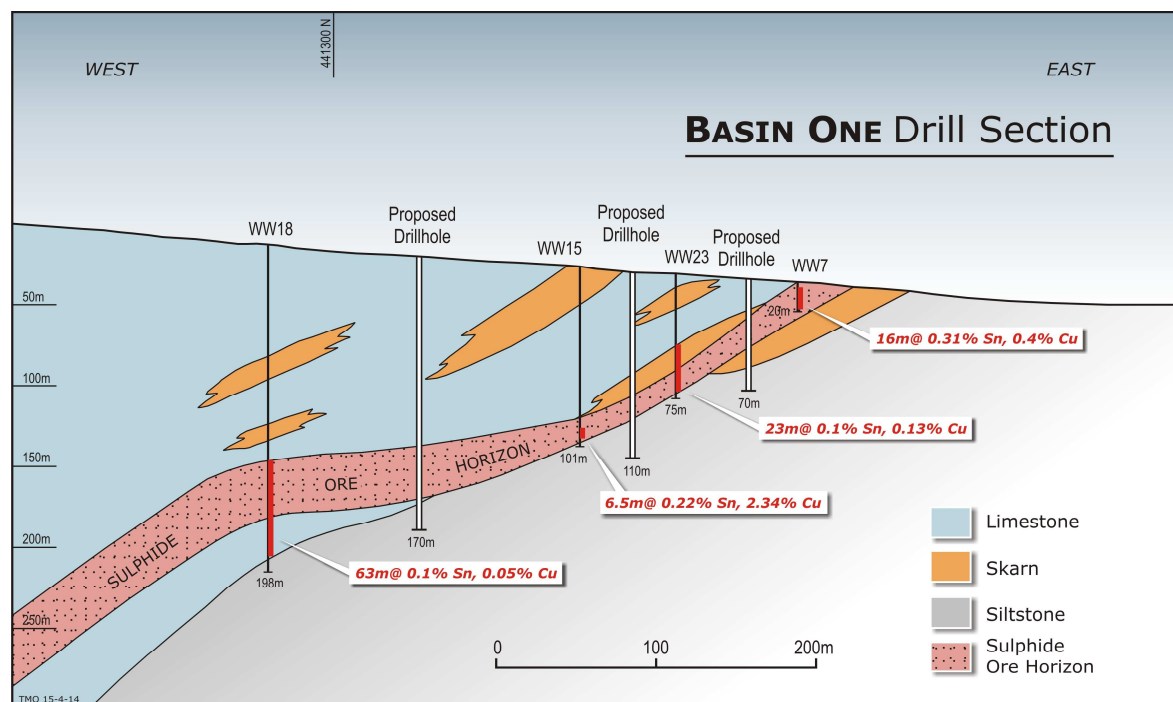


Figure 2. Drill Section through the middle of the Basin One prospect, showing proposed drilling. The section runs through the middle of the deposit, approximately east-west (at an angle of 100 degrees), between 6574450mN and 6574600mN (MGA Zone 56). Section based on CRA Exploration plan NSWs1556 in the report by I.G. Matthias - Report on EL 1176 (Willi Willi) for the six months ended 25th August, 1982 (Geological Survey of New South Wales submitted report no. GS1982/395-R5812). Drill hole information was detailed in Thomson's December 2013 quarterly. Note that some of the thicker intercepts include narrower sections of higher grade.

Mt Jacob Gold Prospect

At Mt Jacob, previous work has identified a stratiform occurrence of gold which is inadequately tested. Thomson Resources has planned follow up drilling to further extend the gold mineralisation and to test for high grade zones (Figure 3).

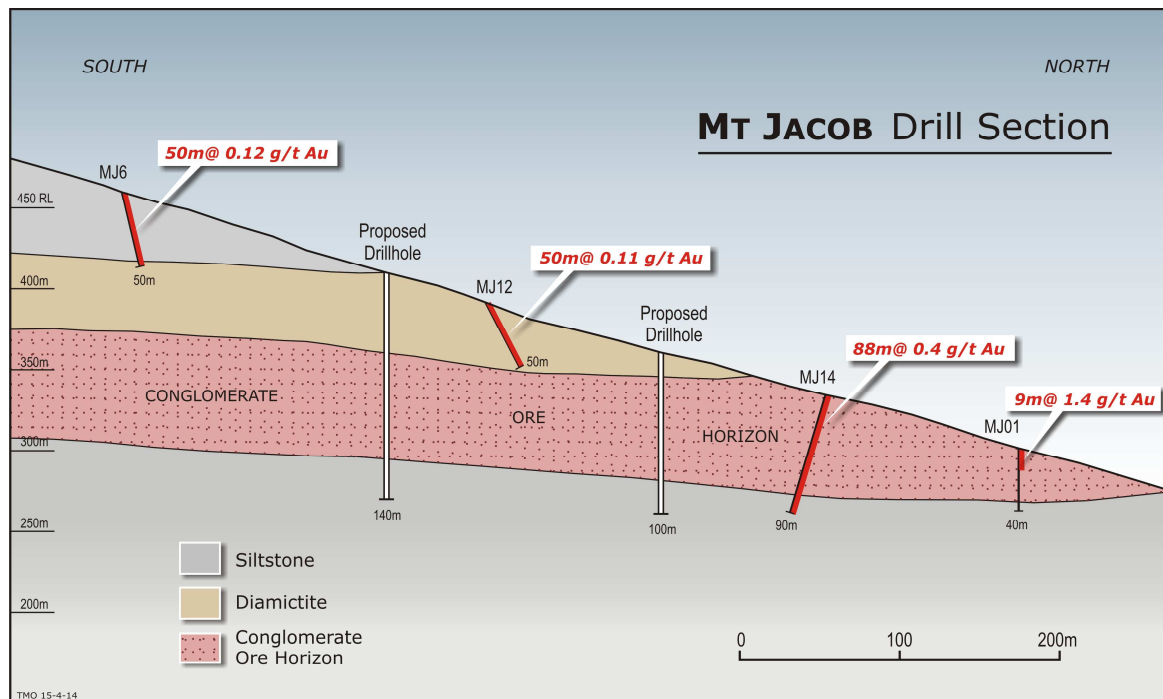


Figure 3. Drill Section through the middle of the Mt Jacob prospect. The section runs from south (6573600mN MGA) to north (bearing 10 degrees) along the crest of the Mt Jacob ridge line. Section based on CRA Exploration Report, Figure 6 in the report by R.N. Andrews - Mt Jacob Prospect, EL 3840, Annual Report Year to May 1996 (Geological Survey of New South Wales submitted report no. GS1996/242-R2055). Drill hole information was detailed in Thomson's December 2013 quarterly.

Deeper drilling to potential intrusion-related deposits is also being considered (Figure 4). Scheelite (tungsten) bearing dykes occur to the southwest. These dykes indicate the potential for a shallow intrusion, potentially responsible for the mineralising fluids that deposited gold at Mt Jacob and tin-copper further afield at Basin One. Drilling is planned to target the roof zone of such an intrusion, which should occur at shallow depths below the mineralised "Conglomerate Ore Horizon". The intrusion is likely to have been responsible as a feeder system to both the gold hosted in the conglomerate and further out the tin-copper skarn at Basin One. In other terrains such intrusions host significant metal deposits.

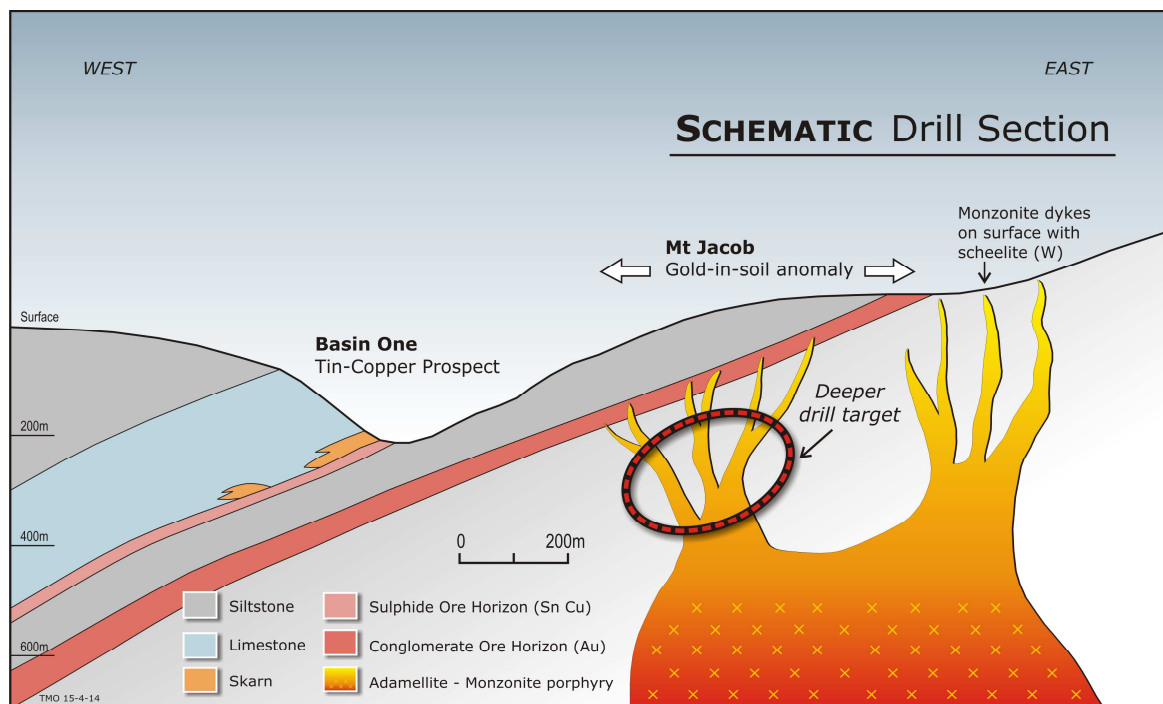


Figure 4. Schematic section showing a postulated shallow intrusion below the Mt Jacob gold-soil anomaly. The conglomerate ore horizon is the same one as appears in Figure 3. Monzonite dykes outcrop to the southwest, carrying scheelite. The tin-copper mineralisation is regarded as a distal skarn-type deposit. The deeper drill target consists of the roof zone of the intrusion stock where multiple porphyritic apophyses could carry significant gold mineralisation. No drilling has yet been completed on this target. Drawing is based on a diagram in a CRAE report by L. Daigle – “EL 3840, First Annual Report for period May 8, 1992” (GS1992/197-R0616).

Thomson Fold Belt

The NSW Government announced an initiative which will provide grants of up to half the drilling costs to exploration companies called the “New Frontiers Cooperative Drilling program”. Applications are to be favoured that propose drilling in frontier regions, or in areas where there is significant cover over the target. Thomson will apply for grants for several of its prospects and is hopeful of success. These include Cuttaburra A and F1 where intrusive-related gold (IRG) mineralisation has been identified as well as Cuttaburra B (polymetallic mineralisation, also probably IRG) and F10 (never previously drilled, largest identified possible IRG system).

Kidman Joint Venture

Thomson has entered into a Farm In Agreement to joint venture its tenement interests (Achilles and Tooroonga projects) near Lake Cargelligo to Kidman Resources (Kidman, ASX:KDR). To earn an 80% interest Kidman will spend \$300,000 over 3 years. Kidman also purchased the adjacent Browns Reef deposit and the JV area is prospective for similar Cobar-type deposits.

Tenement Holdings

Thomson continued to rationalise lesser prospective ground during the quarter, reducing the area managed by Thomson by 938 square km to 1,720 square km, and acquire ground with additional potential, particularly shallow potential. Three major changes were the acquisition of EL7391 from Newmont Exploration; the new joint venture with Kidman Resources and the expiry of the Ghost Rider JV with Variscan Mines.

Two tenements were granted (Victory Tin, EL 8229 and Mt Jacob EL 8256, the latter on April 9th). One tenement was applied for: ELA 4991 (Eaglehawk Rock, enclosed by EL 7391). Two tenements (EL 6783 and 6844, Mulga Tank and Louth Road) were relinquished. Three tenements in the Ghost Rider joint venture with Variscan Mines (ASX:VAR) expired. Thomson also reduced 58 units (124 square km) from existing tenements on renewal.

The table below details the prospectivity and exploration plans for the Thomson portfolio.

EL No	Project	EL Name	Target Type	Commodities	Exploration
7391	Havilah	Havilah	VMS	Pb Zn Cu Au	VTEM
4991*	Havilah	Eaglehawk Rock	VMS	Pb Zn Cu Au	VTEM
8136	Byrock	Wilga Downs	VMS	Pb Zn Cu Au	VTEM
7642	Byrock	Wallenburra	VMS	Pb Zn Cu Au	VTEM
7643	Byrock	Knightvale	VMS	Pb Zn Cu Au	VTEM
8251	Wilgaroon	Wilgaroon	Tin	Sn W	VTEM
8011	Wilgaroon	Toburra	Tin	Sn W	VTEM
8229	Wilgaroon	Victory Tin	Tin	Sn W	Drill targets ready
8256	Mt Jacob	Mt Jacob	IRG	Au Sn Cu	Drill targets ready
6224	Cuttaburra-Falcon	Cuttaburra	IRG	Au Pb Zn	^Co-funded drilling
6630	Cuttaburra-Falcon	Tongo	IRG	Au Pb Zn	^Co-funded drilling
6631	Cuttaburra-Falcon	Yantabangee	IRG	Au Pb Zn	^Co-funded drilling
6668	Cuttaburra-Falcon	Mt Pleasant	IRG	Au Pb Zn	^Co-funded drilling
7265	Cuttaburra-Falcon	Cathedral	IRG	Au Pb Zn	^Co-funded drilling
8177	Cuttaburra-Falcon	Lower Myall	IRG	Au Pb Zn	^Co-funded drilling
7253	Warraweena	Lilyfield	Porphyry	Cu Au	^Co-funded drilling
8102	Warraweena	Mullagalah	Porphyry	Cu Au	^Co-funded drilling
7746	Kidman JV	Achilles	Cobar	Pb Zn Cu Au	Kidman Resources
7891	Kidman JV	Tooroonga	Cobar	Pb Zn Cu Au	Kidman Resources
7931	Kidman JV	Chiron	Cobar	Pb Zn Cu Au	Kidman Resources
8103	Kidman JV	Whooley	Cobar	Pb Zn Cu Au	Kidman Resources

**Application number, EL is yet to be granted. ^The Co-funded drilling applications cover drill targets identified in New Frontiers areas with significant cover.*



Figure 4: Thomson Projects in NSW.

Corporate

Exploration expenditure incurred during the quarter totalled \$132,000. Cash at the end of the quarter was \$977,000.

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.