

Quarter ended March 31, 2012

# Quarterly Report



## HIGHLIGHTS

- **Further copper-gold mineralisation at Cuttaburra A**
  - 3.3m at 1.46 g/t Au, 0.1% Cu, 10.9 g/t Ag
  - Including 1m at 3.7 g/t Au, 0.2% Cu, 29 g/t Ag, 0.1% Pb, 0.1% Bi
- **New drilling plan to target shallow mineralisation**
- **Three new high quality joint ventures signed within the Cobar region**
- **Several stand-out drill targets on new JV areas; untested drill intersections, strong IP and geochemical anomalies**

## EXPLORATION

Further selected intervals from the 480m wide alteration system intersected in drilling of Cuttaburra A were analysed, yielding significant gold and copper results (Table 1). Assays from drill hole CutAD01 recorded 1.46 g/t Au, 0.1% Cu, 10.9 g/t Ag in 3.3m from 448.5m depth, including 3.7 g/t Au, 0.2% Cu, 29 g/t Ag, 0.1% Pb, 0.1% Bi in 1m from 449.8m.

CutAD01 was drilled at the Cuttaburra A bulls-eye magnetic anomaly and, as at Cuttaburra B, intersected a siltstone-dominated turbidite sequence with interbedded sandstone. Alteration intensity and quartz veining are moderate to strong in the entire basement section of the hole and trace mineralisation in the form of chalcopyrite, galena and sphalerite was also recorded throughout (Figure 2). Further intervals will be selected for assaying after the positive results of the second round based on portable XRF analysis of the pathfinder elements bismuth and arsenic.

The assay results continue to highlight the good exploration potential for significant Intrusive Related Gold (IRG) deposits that Thomson believes may be present in this region.

An RC drilling plan is proposed to test the shallower parts of Cuttaburra A and other similar anomalies. The RC method will be cheaper and allow more ground to be tested as well as allowing a better estimate of gold content.

Downhole geophysical methods (3-component magnetometer, EM) were trialled, but this work was delayed due to wet weather and is incomplete. Surface and overburden conductivity is strong and may mask some more important basement anomalies which the down hole survey may be able to delineate better.

Major flooding on the Darling and Paroo Rivers continued throughout the quarter and restricted access to the company's priority prospects. The flooding has been augmented by water from upstream in Queensland and northeastern NSW, and as well, the Thomson Fold Belt area itself has received the highest rainfall on record over the past two years. At this stage the company's plans to move heavy drilling equipment into the area has been pushed back to mid-year.

Surface exploration continued through the quarter at the company's Byrock project. At the Kenilworth Station prospect multiple ironstone gossans have been sampled yielding portable XRF results for iron up to 57% Fe with anomalous tungsten, lead and zinc. This work will continue, with calibration from laboratory assays and further fieldwork, to define a possible drill target.

## NEW JOINT VENTURES

After the end of the quarter, Thomson announced the signing of three new joint ventures providing access to new Cobar-type prospects at Ghost rider (100km west of Cobar) and Achilles / Tooroonga (180km south of Cobar).

The stand out prospect in the Ghost rider Project is the Bulla Bulla anomaly hosted in Cobar SuperGroup Winduck Shelf sediments. Historic RAB drilling defined a 4km long anomaly, with maximum values in the weathered zone of 1.15% lead, 0.22% zinc, 0.12% copper and 25ppm silver. Limited deeper RC drilling to depths of 100 metres intersected lead sulphides in fresh rock (up to 0.48% lead). The lead anomaly is open to the northwest and east, and is obscured by younger (Late Devonian) sediments to the west. Modelling by PlatSearch has defined a clear target associated with the faulted Mount Jack High which may provide a source point for deeper primary Pb-Zn-Ag mineralisation. A recent IP survey by PlatSearch identified strong IP anomalies in the vicinity of the geochemical anomaly (Figure 3).

Within the Achilles / Tooroonga joint ventures, the stand out prospect is at Mt Boorithumble, which is 26km NNW on strike from the Browns Reef project owned by Comet Resources. Browns Reef has a significant zinc-lead-silver resource and is thought to be of Cobar-type mineralization. At Mt Boorithumble a 900m long lead anomaly (maximum assay 0.24% Pb) defined by auger and RAB drilling in Preston Formation (Silurian to Early Devonian – Cobar Group equivalent) sediments and Ural Volcanics has been tested by one diamond drill hole and two percussion holes. The single diamond drill hole BO1 returned a best intersection of 3m at 1.95% Pb, 2.0% Zn, 1.20% Cu, 0.5 g/t Au and 150 g/t Ag from 117m. Percussion holes BP1 and BP2 were drilled 170m northeast and 140m southwest of BO1 respectively. Whilst these holes did not intersect significant mineralisation, they were drilled in the opposite direction, so may have missed a dipping mineralized zone.

Good potential remains to follow up the mineralized intersection as well as to test other parts of the lead anomaly and further along strike.

## TENEMENTS

During the quarter, Thomson advised Compass Resources that it had met the required expenditures for all four joint ventures signed in February 2010, and proposed to continue with three of those (Cuttaburra, Louth and Lillyfield) into the next two year period. Thomson withdrew from the Yancannia joint venture after ground exploration yielded no significant results.

Two tenements were relinquished during the quarter: EL 6723, "Cathedral" and EL7253, "Wongalilli". An assessment of depth of cover rocks over these areas showed that the identified anomalies were buried too deep to warrant attention.

The relinquishments and other changes due to tenement renewals bring the total area being explored by Thomson at quarter end to 4,870 square km, including 1,785 square km under joint venture agreements.

## CORPORATE

Exploration expenditure incurred during the quarter amounted to \$126,000. Cash at the end of the quarter was \$2.4 million.

### Thomson Resources Ltd



#### Eoin Rothery

Chief Executive Officer

*The information in this report that relates to 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 2004 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.*



Figure 1: Thomson Resources Projects.

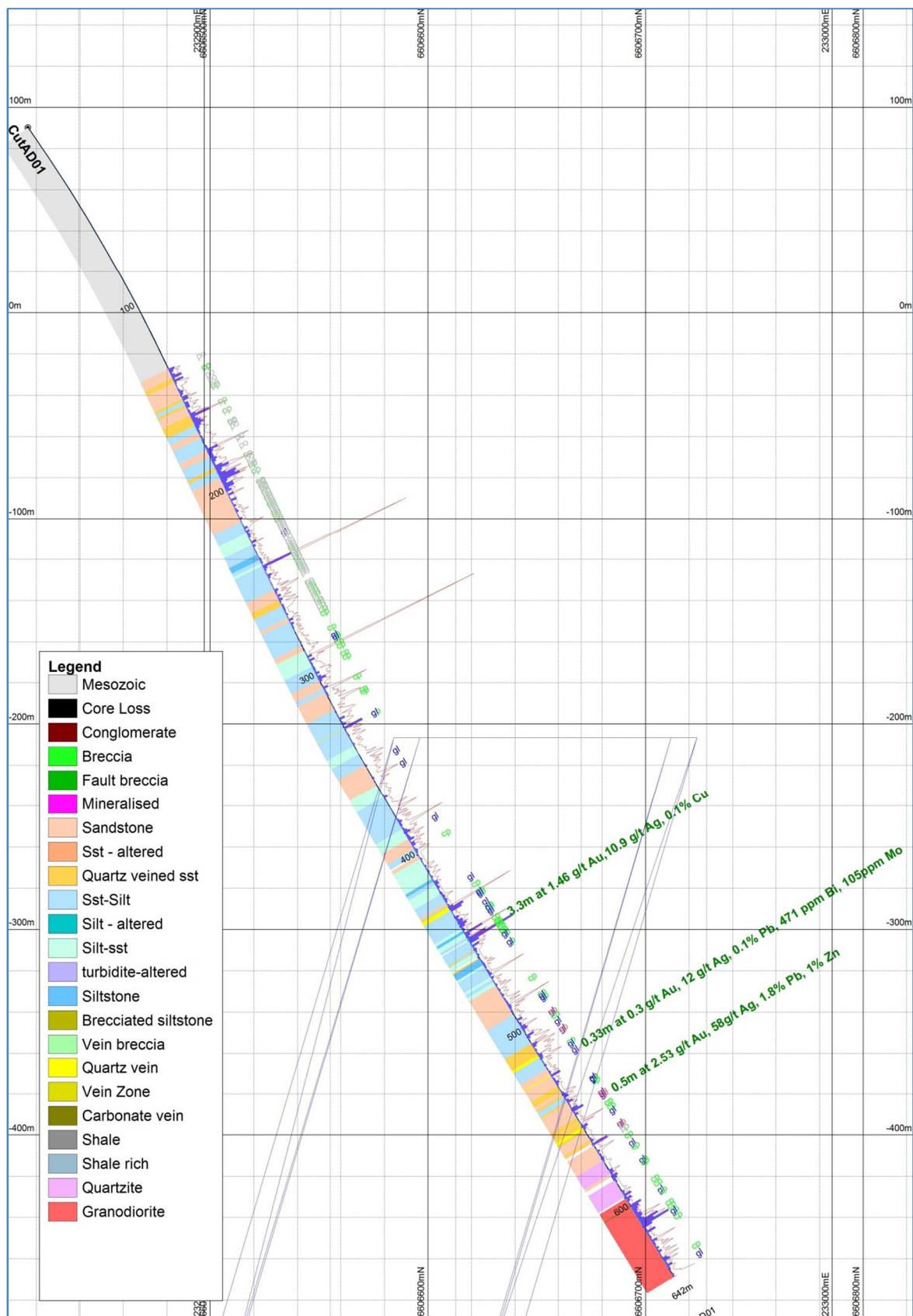


Figure 2: Cuttaburra A drill section. Best assays highlighted. Graphs are of magnetic susceptibility (red) and quartz-carbonate veining (blue). Observations of minerals are shown: cp = chalcopyrite, gl = galena, po = pyrrhotite, sp = sphalerite. The blue geometric shape is the magnetic target as modelled prior to drilling.

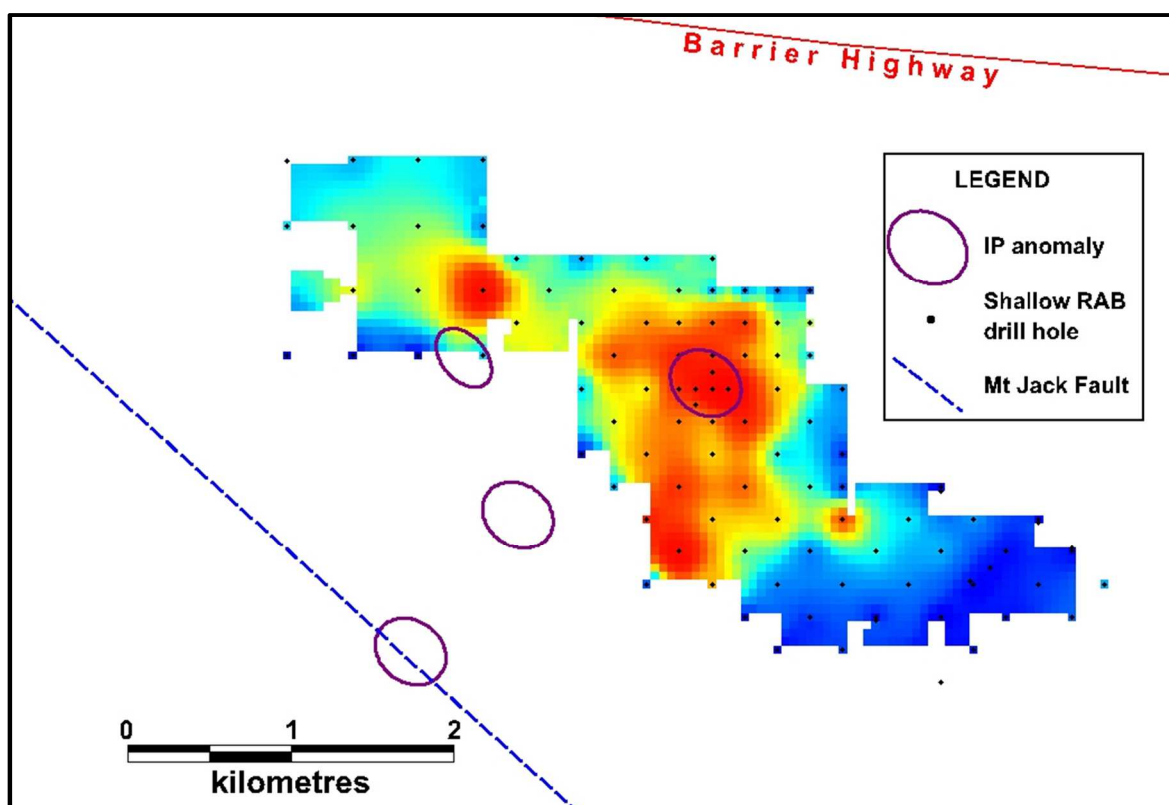


Figure 3: Ghost rider Project: Bulla Bulla anomaly. The coloured background image is of lead geochemistry up to 1.2% Pb.

Table 1: Drill hole Assays from drill hole CutAD01

			Au	Ag	Pb	Zn	Cu	As	Bi	Mo	W
			g/t	g/t	%	%	%	g/t	g/t	g/t	g/t
CUTAD01	448.5	449.18	<b>0.91</b>	<b>6.1</b>	0.02	0	0.03	57	233	8	10
CUTAD01	449.8	450.8	<b>3.73</b>	<b>28.8</b>	0.06	0.01	0.17	27	1175	1	10
CUTAD01	450.8	451.8	<b>0.46</b>	<b>3.1</b>	0.01	0.01	0.03	48	152	<1	<10
CUTAD01	521.57	521.9	0.28	12.2	0.06	0.01	0.01	85	471	<b>105</b>	10
CUTAD01	537.5	538	0.2	28	0.31	0.09	0.08	2770	66	<1	10
CUTAD01	538	538.5	0.06	21	0.08	0.01	0.02	873	229	<1	20
CUTAD01	538.5	539.5	0.06	21	0.08	0.00	0.01	85	173	3	20
CUTAD01	539.5	540	0.1	1.6	0.01	0.01	0.01	725	12	4	30
CUTAD01	546	546.5	0.05	4.2	0.12	0.08	0.01	801	12	2	10
CUTAD01	546.5	547	0.01	1.8	0.02	0.01	0.00	42	4	11	10
CUTAD01	547	547.5	<b>2.53</b>	<b>58</b>	<b>1.81</b>	<b>1.03</b>	0.08	9870	109	<1	10
CUTAD01	566.6	567	0.01	1	0	0	0.07	31	11	6	<10
CUTAD01	614.8	615.2	<0.01	<0.5	0	0	0.01	12	4	26	<b>240</b>

Table 1: Selected significant assays from Cuttaburra A. Further assays are awaited. Samples were analysed by ALS laboratories in Orange, NSW. Gold was analysed by Au-AA26: Fire Assay Fusion and Atomic Absorption Spectroscopy. Other elements (except tin) were analysed by ME-ICP61: 4 acid digestion, HCl leach and inductively coupled plasma-atomic emission spectrometry. Widths are downhole widths – approximate correction to true width 50 to 80%.

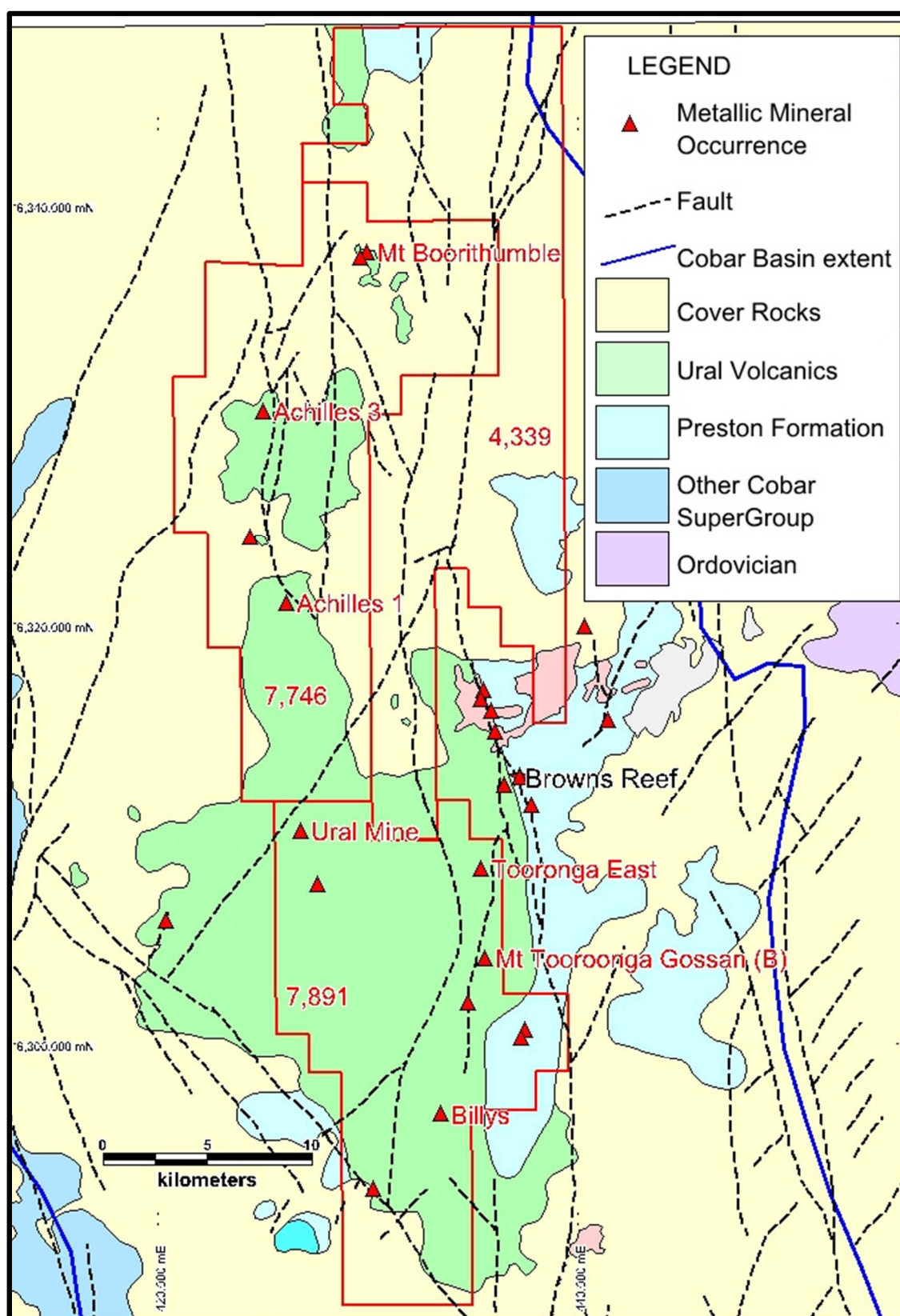


Figure 4: Achilles and Tooroonga Project Geology.