

# Thunderstruck Resources Ltd. (TSXV:AWE)

## For Those About to Drill, We Salute You!

**Initiating Coverage**  
December 10, 2020

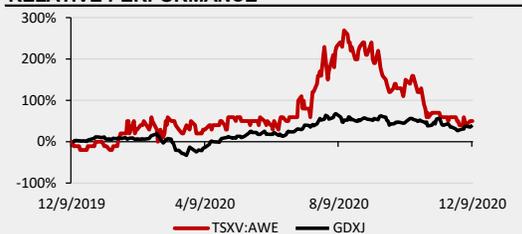
(Currency is US\$ unless noted otherwise)

Closing Price (C\$/sh)	\$0.08	
Rating	BUY (S)	
Target (C\$/sh)	NA	
Return to Target	NA	
52 Week Low / High (C\$/sh)	\$0.04 / \$0.20	
<b>CAPITALIZATION</b>	<b>Basic</b>	<b>Diluted</b>
Shares Outstanding (M)	84.2	133.2
Market Capitalization (C\$M)	\$6.3	
Enterprise Value (C\$M)	\$5.4	
Cash and Cash Equivalents (C\$M)	\$0.9	
Total Debt (C\$M)	\$0.0	

### STOCK CHART



### RELATIVE PERFORMANCE



Relative Valuation	EV (C\$M)
Thunderstruck Resources Ltd.	\$5.4
Peers*	\$52.4

\*S&P Capital IQ

### MAJOR SHAREHOLDERS

Management (15%)

DISCLOSURE CODE: 3,4

(Please refer to the disclosures listed on the back page)

Source: RCS, Company Information, S&P Capital IQ

### Company Description

Thunderstruck Resources Ltd. acquires and explores for mineral properties. The company explores for zinc, copper, silver, and gold deposits. Its flagship properties include the Korokayiu and Nakoro projects located on the Island of Viti Levu, Fiji. Thunderstruck Resources Ltd. was incorporated in 2011 and is based in Vancouver, Canada.

## We are initiating coverage on Thunderstruck Resources Ltd. (TSXV:AWE) with a BUY (Speculative) rating.

Thunderstruck Resources is a gold and base metals explorer focused on the island nation of Fiji where it holds two advanced projects with compelling upside in our opinion as well as two other earlier stage projects. At present, its tenements cover ~3% of the islands land mass. The company recently completed a follow up drill program on its high-grade Korokayiu Zn-Cu VMS joint venture with JOGMEC and is about to begin its first ever drill program on its 100%-owned Liwa Creek Au-Ag project. With a very modest C\$5.4M EV, we believe there is far more upside in shares of Thunderstruck compared to its peers and eagerly await the assays from both its projects.

### Investment Thesis:

- Though Korokayiu is far more advanced, the greatest upside could come from the Liwa Creek Au-Ag project. Fiji is well known to host high-grade low sulphidation epithermal Au deposits of considerable size.
- The 30/70 joint venture with JOGMEC on Korokayiu provides Thunderstruck with a strong foundation. The addition of Mitsui Mining & Smelting Co.'s (5706-TYO, Not Covered) research and development team as lead on the exploration program is a win for the company and speaks to the quality of the asset.
- Thunderstruck has spent over five years getting to this point and has multiple senior technical people on the ground in Fiji assisting local teams they have been working with to help manage the process of these pivotal drill programs.

### Valuation:

**Thunderstruck is primed to create value.** With a C\$6.3M market cap, the company's valuation does not reflect the potential upside that exists within its four assets. We would note that the company's board of directors includes two very well-known mining industry veterans in Brien Lundin and Lawrence Roulston and also have the benefit of Tookie Angus as an advisor. Its extremely rare to have these kinds of professionals involved in a company as small as Thunderstruck, but not surprising to us given the potential upside at the company's projects. We firmly believe Thunderstruck is currently being undervalued by the market and could re-rate 5x to 10x on positive drilling news given that Thunderstruck has an EV of C\$5.4M versus similar sized peers at C\$52.4M.

**Upcoming catalysts:** 1) Assay results from its 1,500m infill drill program at its high-grade Korokayiu Zn-Cu joint venture (Q1-2021), 2) Assay results from its maiden 1,500m drill program at its 100%-owned Liwa Creek Au-Ag property (Q1-2021) and 3) Follow up surface exploration results from its Nakoro Zn-Cu and Rama Creek Cu-Au projects.

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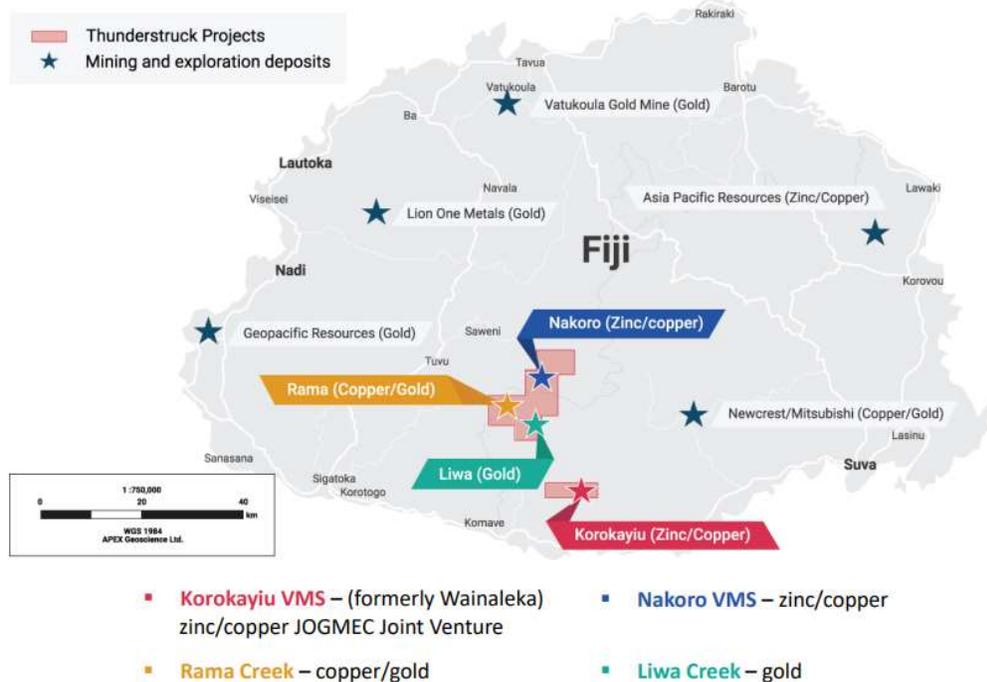
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## Investment Thesis

**Thunderstruck is an emerging explorer on the hunt for Au, Cu and Zn deposits within four projects on the island of Viti Levu in Fiji. Our view is that the company is on the cusp of initial success with the drill bit with the start of two 1,500m drill campaigns.** At the company's joint-ventured high-grade Korokayiu project, this season's drill program is expected to expand on the 2019 program that included a number of high-grade intercepts including **13.8% Zn, 2.94% Cu, 114g/t Ag, and 1.08 g/t Au over 11m**, which prompted the company to expand its holdings from 30 to 136km<sup>2</sup>. Thunderstruck's 100%-owned Liwa Creek property is characterized by five highly prospective Au-Ag anomalies extending over a 3km strike length that remains open in all directions. It has been the focus of sporadic work over the last four decades, and Thunderstruck's arrival marks the first systematic exploration program done on the property. With drilling now complete at Korokayiu and soon to be turning at Liwa Creek, we expect plenty of news flow from Thunderstruck in the coming weeks and months.

**Figure 1: Thunderstruck projects and major deposits of Fiji**



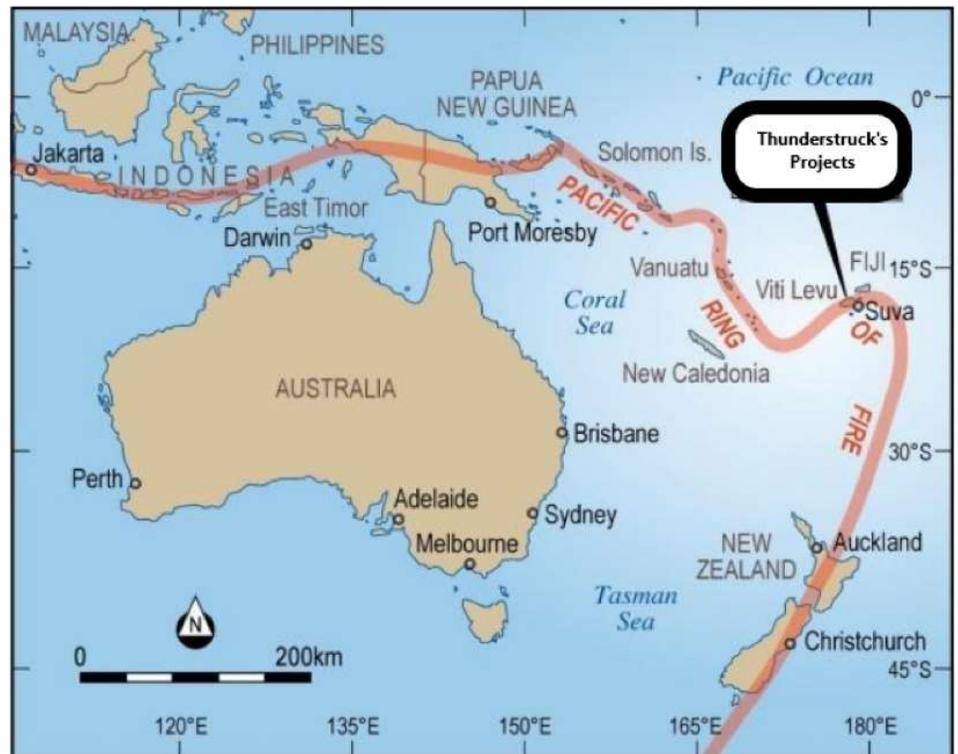
Source: Company Reports

## Mining in Fiji- Not as foreign as you think

Viti Levu, the main island of Fiji is located on the prolific Pacific Ring of Fire, a 12,000km trend that hosts many of the world's major gold and copper deposits, including Porgera, Lihir and Grasberg. The island of Viti Levu has a long history of mining including the Vatukoula gold mine which has been operating for 80 years, producing more than 7M oz Au. The island also hosts other active operations such as Namosi, held by a JV between Newcrest Mining Ltd. (TSX:NCM, Not Covered) and Mitsubishi Materials Corp. (TYO:5711, Not Covered). Newcrest published Proven and Probable Reserves for Namosi of 1.3B tonnes at 0.37% Cu and 0.12 g/t Au (5.2M ounces Au and 4.9M tonnes Cu) and is now undergoing environmental assessment as part of the permitting process. Additionally, Lion One Metals Ltd. (TSXV:LIO, Not

Covered) is now contemplating developing its Tuvatu project, with indicated resources of 1.1M tonnes at 8.17 g/t Au (294,000 oz Au), and Inferred Resources of 1.3M tonnes at 10.6 g/t Au (445,000 oz Au). In summary, the country of Fiji is considered to have a pro-mining government and low sovereign, political and social risks and is within proximity to Asian markets.

**Figure 2: Pacific Ring of Fire**



Source: Company Reports

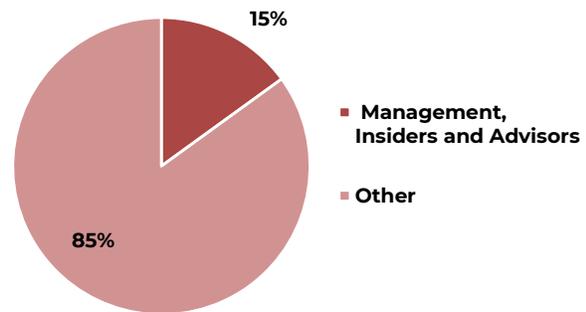
**With the equity financing window now open for junior explorers, the time to drill is now.** In our view, we believe the continued liquidity injections and stimulus needed to help the economy recover from the pandemic should eventually benefit all commodities with precious metals leading the charge. We would expect a new discovery in this price environment to be rewarded materially. The company is focusing on key targets identified through previous drilling at Korokayiu and encouraging surface and geophysical work at Liwa Creek, which has never been drilled.

**Recently funded for drilling – key catalysts on the horizon.** The company recently completed a C\$1M private placement in June 2020 and received C\$0.5M through warrant exercises, as well as an additional C\$1.65M from its financing partner JOGMEC, which has positioned the company to launch two 1,500m drill programs at its Liwa Creek and Korokayiu projects. The drill results should provide the primary catalysts for potentially re-rating the stock going forward with results expected in Q4/20 and into 2021.

**Upcoming Catalysts:**

1. Drill results from 1,500m program at Korokayiu (Q4/20)
2. Drill results from 1,500m program at Liwa Creek (Q4/20 – Q1/21)

**Figure 3: Ownership structure of Thunderstruck**

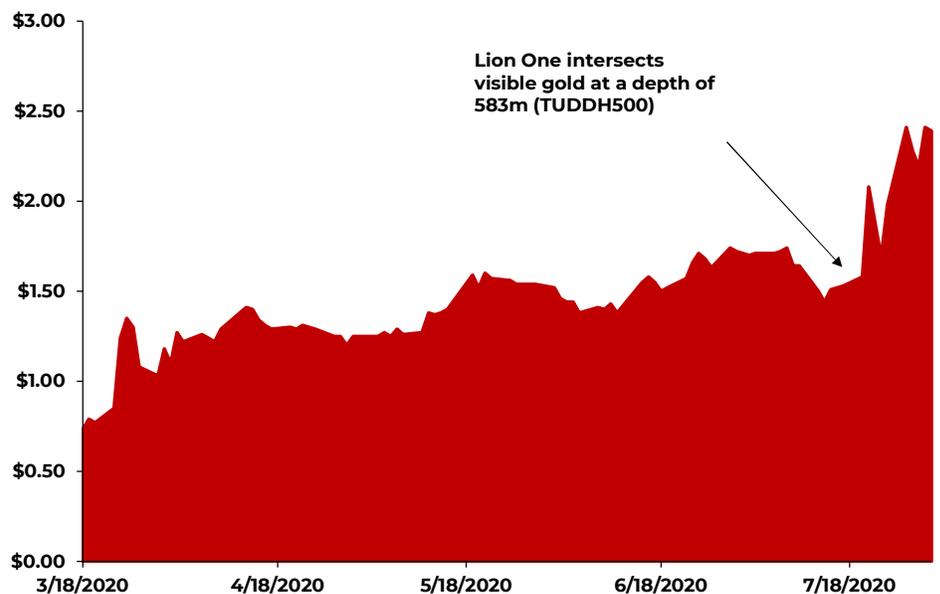


Source: RCS Estimates, S&P Global Market Intelligence

### Valuation

**Exploration success could drive re-rating.** With a ~C\$6.3M market cap, the company’s valuation does not reflect the potential upside that exists within its four assets in our opinion. Thunderstruck has funding for its Phase I 3,000m drill program split between its two flagship assets, Liwa Creek (Au-Ag) and Korokayiu (Zn-Cu), which should allow for near term catalysts. With an enterprise value (EV) of ~C\$5.4M, Thunderstruck’s valuation is poised to re-rate on exploration success. Based on comparable peer group valuations (Figure 5), we estimate that Thunderstruck’s EV could re-rate by a factor of 5x to 10x with positive drilling news. Additionally, **Lion One Metals provides a compelling case study of what drilling success could look like in Fiji.** The Tuvatu project, also located on the island of Viti Levu, reported visible gold in an intercept 583m below surface which resulted in the stock up rising ~53% within the week (Figure 4).

**Figure 4: Event driven stock performance of Lion One Metals**



Source: RCS Estimates, S&P Global Market Intelligence

**Figure 5: Comparable companies**

Company	Ticker	Price (C\$/sh)	YTD Perf.	Shares (M)	Mkt. Cap C\$M	Cash C\$M	Debt C\$M	EV C\$M
<b>Thunderstruck Resources Ltd.</b>	<b>TSXV:AWE</b>	<b>\$0.08</b>	<b>50%</b>	<b>84.2</b>	<b>\$6.3</b>	<b>\$0.9</b>	<b>\$0.0</b>	<b>\$5.4</b>
Lion One Metals Limited	TSXV:LIO	\$1.53	-9%	158.0	\$241.7	\$55.9	\$0.4	\$186.3
Irving Resources Inc.	CNSX:IRV	\$2.37	-25%	59.0	\$139.9	\$12.4	\$0.1	\$127.5
Westhaven Gold Corp.	TSXV:WHN	\$0.80	-13%	106.5	\$85.2	\$3.6	\$0.2	\$81.8
Brixton Metals Corporation	TSXV:BBB	\$0.31	38%	202.6	\$62.8	\$3.4	\$0.2	\$59.6
Azimut Exploration Inc.	TSXV:AZM	\$0.84	53%	71.6	\$60.1	\$8.5	\$0.1	\$51.8
Japan Gold Corp.	TSXV:JG	\$0.34	24%	134.8	\$45.8	\$4.3	\$0.1	\$41.7
Scottie Resources Corp.	TSXV:SCOT	\$0.34	84%	131.7	\$44.8	\$4.4	\$0.0	\$40.3
Klondike Gold Corp.	TSXV:KG	\$0.23	-21%	134.6	\$31.0	\$0.5	\$0.6	\$31.1
Petratherm Limited	ASX:PTR	\$0.14	267%	181.0	\$25.9	\$2.3	\$0.0	\$23.6
Sirios Resources Inc.	TSXV:SOI	\$0.13	-16%	179.2	\$23.3	\$1.2	\$0.0	\$22.1
Triumph Gold Corp.	TSXV:TIG	\$0.18	-20%	136.9	\$24.6	\$5.0	\$0.1	\$19.8
Southern Gold Limited	ASX:SAU	\$0.10	-48%	213.3	\$22.4	\$3.5	\$0.8	\$19.6
Northern Shield Resources Inc.	TSXV:NRN	\$0.07	-22%	274.1	\$19.2	\$2.0	\$0.0	\$17.2
Quebec Precious Metals Corporation	TSXV:QPM	\$0.22	-12%	67.7	\$14.9	\$4.1	\$0.0	\$10.8
<b>Median</b>								\$35.7
<b>Average</b>								\$52.4

Source: RCS Estimates, S&amp;P Global Market Intelligence

## Asset Overview

Thunderstruck owns two land packages, **Special Prospecting License 1425 and Special Prospecting License 1416 totalling approximately 3% of Fiji's largest island, Viti Levu.** The company has four projects within its two land packages:

### 1. SPL 1425

- Liwa Creek (Au-Ag)
- Rama Creek (Cu-Au)
- Nakoro (Zn-Cu)

### 2. SPL 1416

- Korokayiu (Zn-Cu)

The current focus of the company is on its flagship Korokayiu project where drilling was recently completed and its Liwa Creek project where drilling has just begun.

## Location & Infrastructure

The country of Fiji is considered one of the most developed economies in the Pacific. Thunderstruck's SPL 1425 license is located in the southern and central portions of Viti Levu and is approximately 50km east south east of Nadi and ~50km north east of Sigatoka. The SPL 1416 license is in the southern region of Viti Levu and is approximately 50km west of Suva and ~20km west of Navua. Key infrastructure exists such as a deep-water port at Suva, ~50 km from Korokayiu and the Queen's Highway connects Suva to within 10km of Wainaleka. There is also a hydroelectric power station at the Monasavu Dam, ~20 km north east of SPL 1425.

**Regional Geology**

The geology of Viti Levu can be simplified into pre-orogenic and post orogenic rocks. The pre-orogenic rocks of Late Eocene to Oligocene age mainly occur in the southern part of Viti Levu and consist of volcanics and sedimentary rocks with the former dominating the landscape. In the Late Tertiary era, there was a period of intense orogenic activity during which the pre-orogenic rocks were extensively folded and faulted. The post orogenic rocks of Late Tertiary age consist predominantly of mafic volcanics, (mainly basalt).

**Liwa Creek Au-Ag Project (100%-owned)**

The Liwa gold prospect features five high-grade gold prospects which have been identified over an approximately 3km NE-SW oriented structural corridor. Thunderstruck has completed multiple geochemical and geophysical survey campaigns resulting in the discovery of numerous zones of alteration returning anomalous soil, outcrop, float, and trenching gold grades. The current 2020 drill program is fully funded and is set to get under way imminently with both field geologists and drill contractors on the ground in Fiji. The prospect sits within the 148 km<sup>2</sup> SPL No. 1425 license and along with landowner agreements, has been renewed for 5 years, the maximum allowed under Fijian exploration policy.

**Project History and Historical Work**

Previous exploration work was carried out by Amoco Minerals Fiji Limited, Geopacific Limited and Aljen (Pacific) Limited. All three companies made a significant contribution to the discovery of gold in the Liwa Creek area. Amoco found the original anomalous gold site. Geopacific delineated the source of this anomaly and Aljen located several additional areas of anomalous gold and essentially established this area as a gold province rather than a single prospect. Exploration on the property began with a discovery of 8.4 g/t Au and 93 g/t Ag within a siliceous float sample collected by Amoco Minerals in the late 1970's. Their follow up soil sampling program, however, only assayed for limited base metals, with no interest in Au potential. Previous operators discovered veins with up to 30 g/t Au and Ag, along with numerous anomalous rock, soil and stream sediment samples. No systematic exploration had ever been done on Liwa Creek until Thunderstruck purchased the asset in 2016.

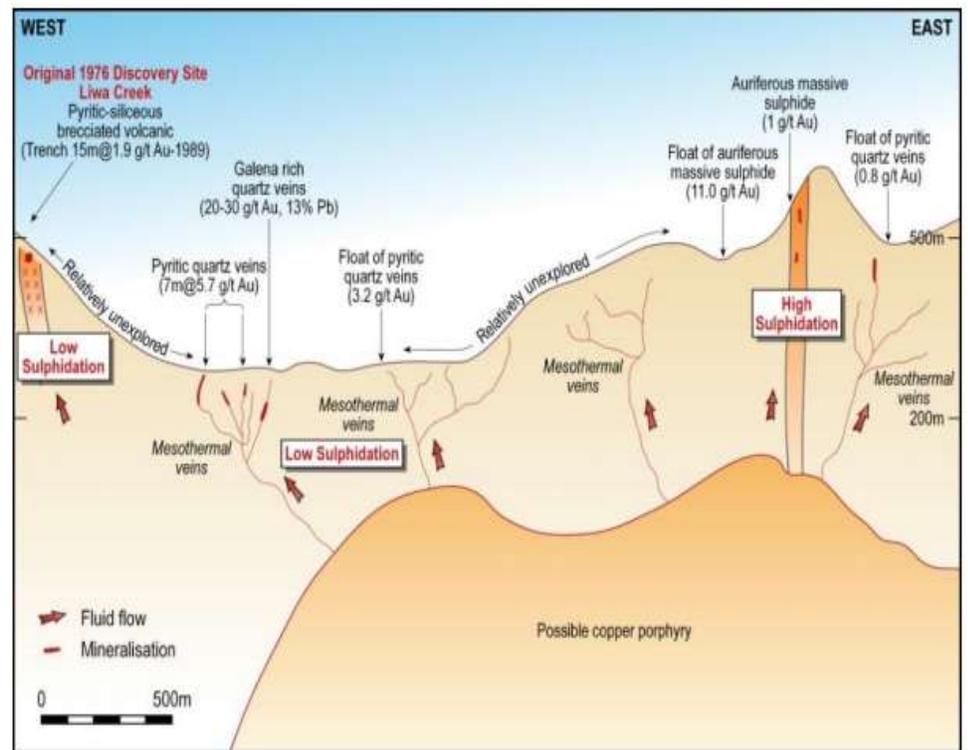
**Mineralization**

At the Liwa Creek project gold-bearing samples consist of four types:

1. Low sulphide veins with small amounts of pyrite and base metal sulphides.
2. High sulphidation veins with high concentration of pyrite, galena and chalcopyrite have been confirmed by petrography.
3. Steep silicification zones.
4. Shallow dipping silicification ledges.

Rock chip sampling campaigns over the years have shown numerous multi-gram Au, Ag and multi-percent Pb assays. The limited field checking that has been done suggests this is a low and high sulphidation epithermal environment. A stylized cross section with mineralization types and assays is provided in Figure 6.

**Figure 6: Schematic long section of mineralization types and historical assays at Liwa Creek**



Source: Company Reports

### Recent Work

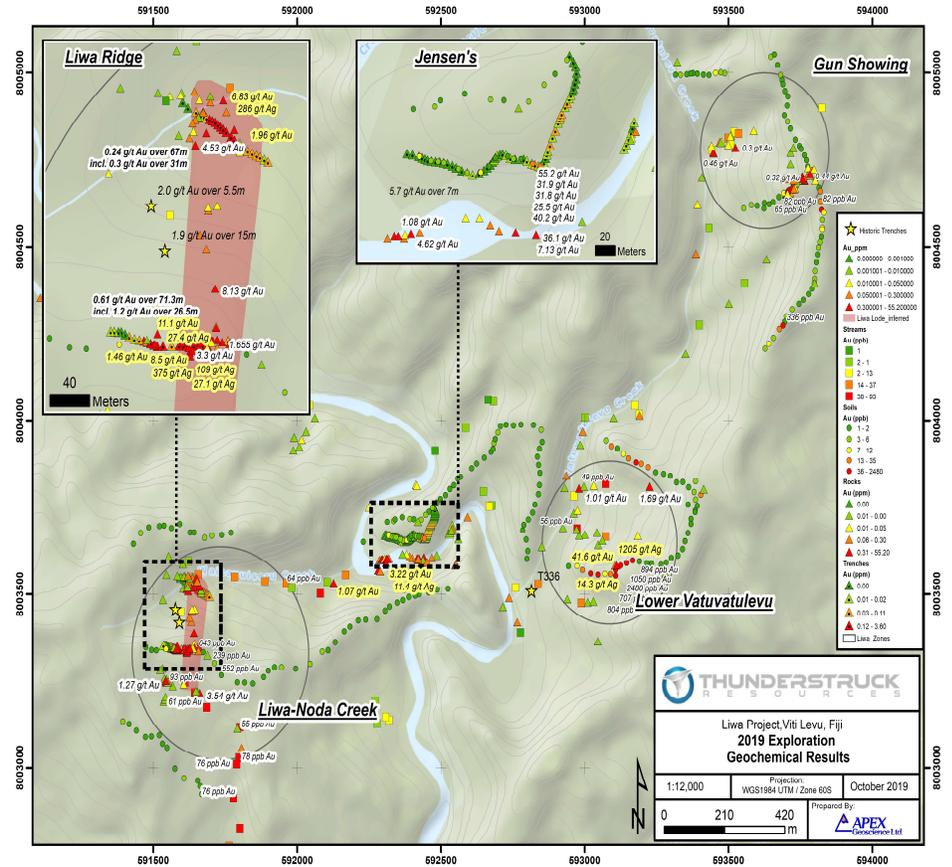
Between 2018 and 2019, Thunderstruck conducted approximately 84 rock samples, 141 soil samples, 23 stream BLG samples and three trenches within Liwa Creek which have identified five priority Au zones over a 3km NE-SW oriented structural corridor: Liwa Ridge, Jensen's, Jensen's West, Lower Vatuvatulevu and Gun (Figure 7)

### Highlights include:

- **Jensen's** - has yielded multiple high-grade gold rock samples including: 1) 55.2 g/t Au, 24.8 Ag and 0.35% Cu (28028) and 2) 40.2 Au, 19.4 g/t Ag, and 0.39% Cu (28014).
- **Liwa Ridge** - a broad zone of epithermal-style alteration and quartz veining which has returned rock samples of: 1) 11.1g/t Au and 27g/t Ag (19OVP003A), 2) 8.5g/t Au and 109g/t Ag (19KRP008) and 3) 379 g/t Ag (28010) in addition to trenching of 1.2g/t Au over 26.5m, within a broader zone averaging 0.61 g/t Au over 71.3m.
- **Lower Vatuvatulevu** - untested 160m geochemical anomaly up to 2.48 g/t Au in soil, and a rock sample of 41.1g/t Au and 1,205 g/t Ag (19KRP014).
- **Jensen's West** - 4.6 g/t Au in outcrop in area of historically reported outcrop chip sampling zone returning 5.7 g/t Au over 7m
- **Gun** - showing rock float returned 0.44 g/t Au, including 25.5 g/t Ag (278351).

Exploration results to date are considered highly significant and validate Thunderstruck's systematic exploration strategy of ridge-and-spur soil geochemical sampling within structurally favourable target areas.

**Figure 7: 2018-2019 exploration geochemical results at Liwa Creek**

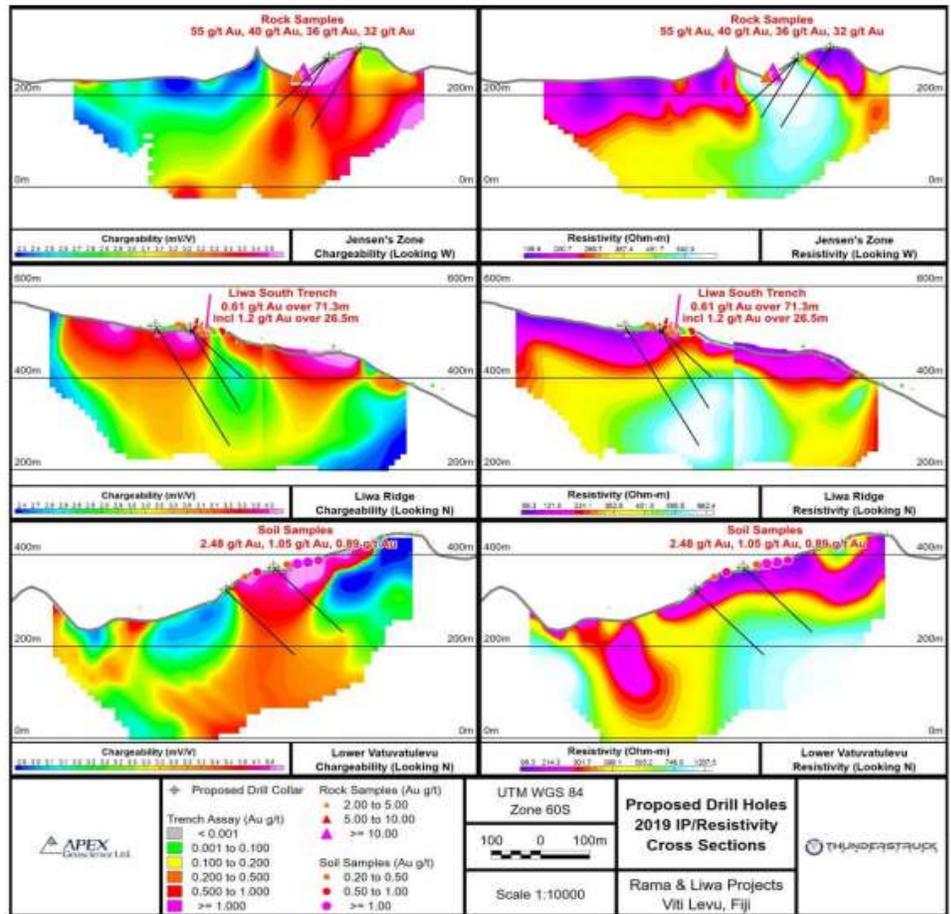


Source: Company Reports

**2019 IP Geophysical Survey**

A total of 4-line Km's of induced polarity and resistivity surveys were completed in 2019 highlighting prospective targets, previously defined by geochemical surveys. Liwa Ridge, Jensen's, Lower Vatuvatulevu and Gun prospects were surveyed with two east-west and two north-south oriented survey lines. The presence of strong resistive and coincident weak to moderate chargeability anomalies are interpreted to indicate the presence of silicified lithologies and potentially mineralized targets at depth. Importantly, all the known Liwa Creek gold prospect showings produced clearly defined IP/Resistivity anomalies coincident with Au mineralized zones on surface as defined by a combination of ridge-and-spur soil, rock grab and trench geochemical samples (Figure 8).

Figure 8: Liwa Creek IP results with proposed drill holes



Source: Company Reports

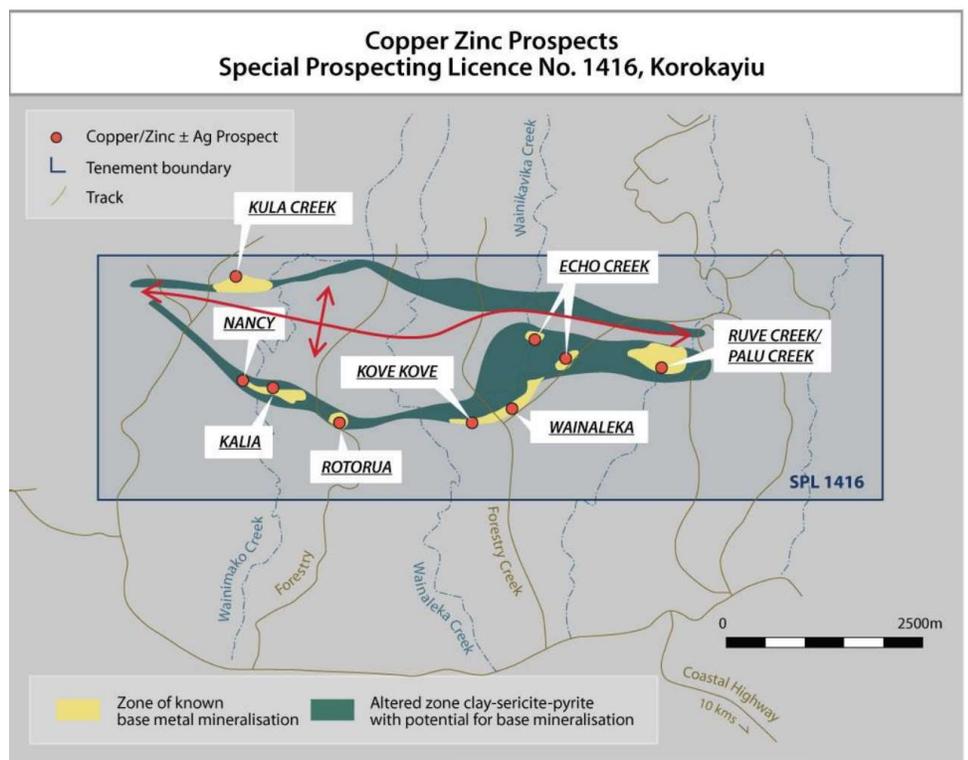
**Next Steps**

The company is commencing an immediate 1,500m maiden drill program at Liwa Creek designed to test high-conviction epithermal Au-Ag targets. Despite the travel restrictions and quarantine rules of the global pandemic, the senior geologist and drilling contractor are now on the ground in Fiji. The company recently completed 15km of access roads in order to construct the drill pads and transport the drill rigs from the company's Korokayiu project, located about 30km SE from the Liwa Creek site. **This will be the first ever drill program at the Liwa Creek project.**

### Korokayiu Zn-Cu (30/70 JV with JOGMEC)

Korokayiu, originally named Wainaleka, features approximately 15km of prospective ground along strike, including eight additional underexplored zones, for Zn-Cu volcanic massive sulphide (VMS) deposits (Figure 9). Historical and recent drilling efforts, along with extensive surface sampling and geophysical programs confirm the presence of favorable mineralization and stratigraphy within the discovery area and beyond. Exploration is currently underway at Korokayiu in partnership with the Japan Oil, Gas and Metals National Corporation (JOGMEC). The tenement area has recently been increased by 350% to 136km<sup>2</sup>. The Korokayiu prospect is located on the southern part of Viti Levu and is approximately 80km south east of the island's major transportation hub, Nadi. Korokayiu is within SPL No. 1416, which along with landowner agreements, has been renewed for 5 years, the maximum allowed under Fijian exploration policy.

**Figure 9: SPL 1416 showing eight target zones**



Source: RCS Estimates, S&P Global Market Intelligence

### Terms of the JV

In February of 2019, Thunderstruck announced a Joint Venture agreement with Japan Oil, Gas and Metals National Corporation (JOGMEC) on its Korokayiu VMS project in Fiji. The agreement grants JOGMEC the option to earn a 70% ownership interest by funding C\$3.5M of exploration through March 31, 2022, subject to acceleration at JOGMEC's discretion. Thunderstruck will be the operator for all operations on the project and will be responsible for the preparation, conduct and oversight of prospecting operations, and the hiring of any third-party consultants. The figure below outlines spending to date and the expected timeline to completion of the agreement (2021).

**Figure 10: JOGMEC estimated timeline to 70% ownership**

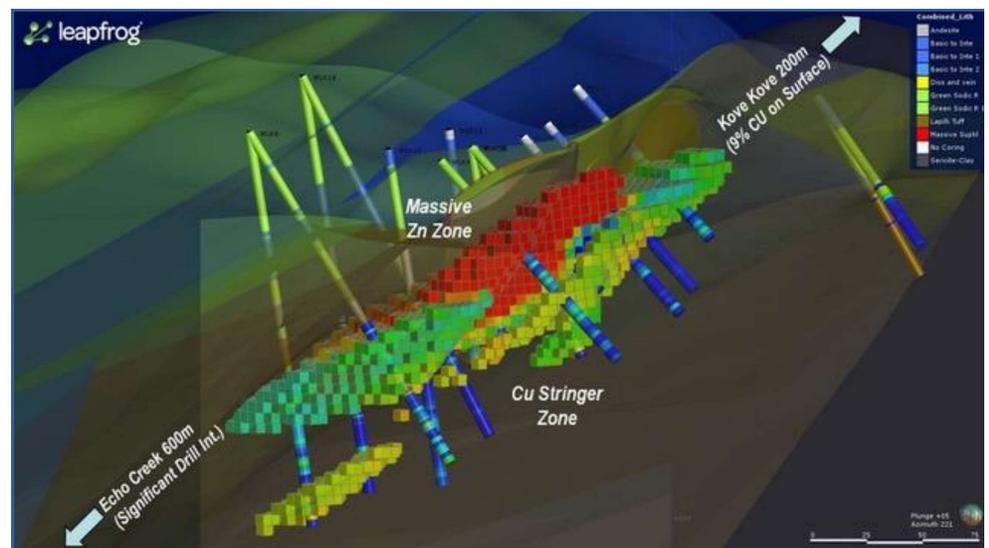
Year	Spending	Remaining
2019	C\$1.2M	C\$2.3M
2020	C\$1.65M	C\$0.65M
2021E	C\$0.65M	C\$0

Source: Company Reports

**Mineralization**

VMS mineralization of the Korokayiu prospect is hosted within a fragmental unit that has been subject to extensive hydrothermal alteration. The mineralized unit is underlain by a basement assemblage of intercalated spilitized, tholeiitic basalt and mudstone and contained within a younger suite of basalts, felsic volcanics and associated fragmental rocks. Andesitic units of the younger rocks and the basement assemblage have been intruded by a 6km long and 1.5km wide, pervasively altered, subvolcanic to volcanic rhyolite dome complex.

**Figure 11: Korokayiu Exploration Model – Looking South showing ZnEq (Zn+Cu) block model**



Source: RCS Estimates, S&P Global Market Intelligence

**Historical Work**

Exploration over the prospect initially began in the 1970s by Australian Anglo American Ltd. (Anglo) with a drill program, geological mapping and sampling. During their drill campaign Anglo was able to show that a mineralized zone was open along strike at both ends and intersected several anomalous values including:

- 12.0% Zn, 1.8% Cu and 25 g/t Ag over 6.2m (WLK-1A).
- 5.5% Zn, 2.3% Cu and 47 g/t Ag over 10m (WLK-4).
- 1.3% Zn, 1.5% Cu and 8.0 g/t Ag over 15.5m (WLK-10).

Mineral exploration was furthered on the Korokayiu prospect by the previous operator through sampling and shallow “backpack” drilling. Surface exploration returned samples with up to 19.9% Zn and 2.7% Cu, and

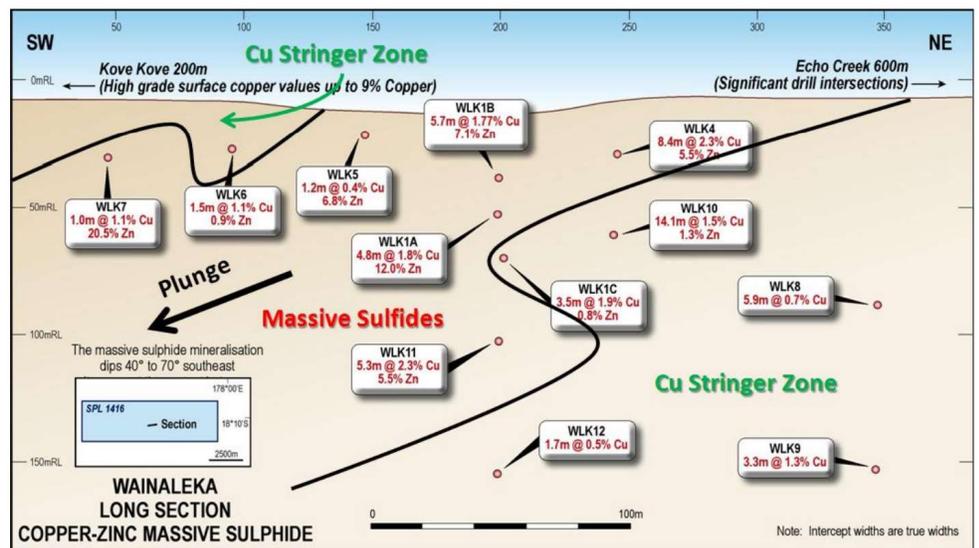
14.4% Zn and 7.1% Cu, respectively. “Backpack” drilling returned near surface intersections of 11.8% Zn, 1.85% Cu and 8.9 g/t Ag from over 2.6m (WLKD107) at the west end of the Korokayiu deposit.

From Anglo’s drilling it is possible to distinguish two types of mineralization:

- Massive pyrite-sphalerite ± chalcopyrite (Zn-Cu sulphides).
- Pyrite - Cu ± Zn stringer and disseminated mineralization in the footwall to the massive sulphides.

Figure 12 is a long section looking NW that distinguishes the two types of mineralization based on amounts of Zn and Cu: i.e. Zn rich zone (massive sulphide) and a low Zn, Cu dominated zone (stringer zone). When the drill hole intersections are viewed this way, a strong plunge component to the SW can be seen. It also highlights how poorly drilled this deposit is with the massive sulphides really only drilled to a depth of 50m or less. This zone is open to the SW, and the Cu zone is open in all directions.

**Figure 12: Significant drill intersections 1977 Anglo drilling program - Wainaleka Prospect (Korokayiu)**



Source: RCS Estimates, S&P Global Market Intelligence

**Recent Work**

A 2019 drill program comprised seven drill holes, totaling 90m, and verified the presence of historically reported Zn-Cu massive mineralization, and in select holes more than doubled historically reported results.

- Drill hole WLK17 intersected 13.8% Zn, 2.94% Cu, 114g/t Ag, and 1.08 g/t Au over 11m, the highest-grade drill intercept to date, current or historically reported, from Korokayiu.
- Drill hole WLK16A, collared 120m south of WLK17, intersected 21.6% Zn, 2.0% Cu, 81 g/t Ag, and 0.42 g/t Au over 2.77m.
- Drill hole WLK14B intersected 14.5% Zn, 2.35% Cu, 111 g/t Ag, and 0.66 g/t Au over 6.31m.

Drill results to date highlight the potential of the eight additional, underexplored Zn-Cu VMS prospects along 15km prospective geologic trend.

**Figure 13: Significant 2019 drill results**

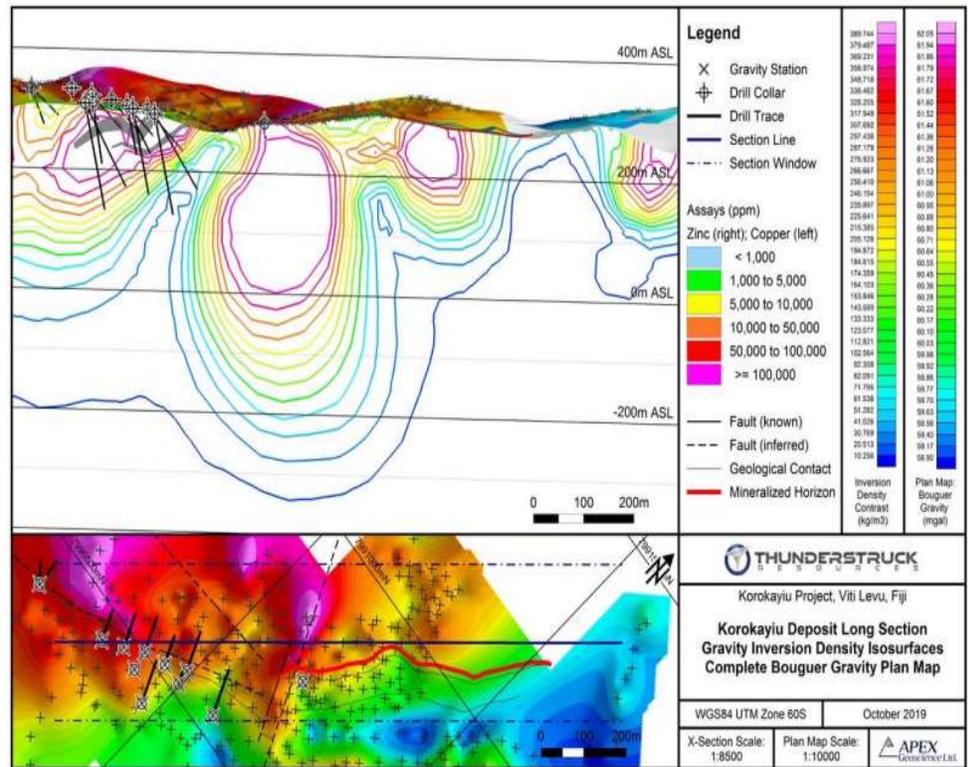
**2019 Significant Diamond Drill Intercepts**

Drill Hole	Released	From (m)	To (m)	Interval (m)	Zn (%)	Cu (%)	Ag (g/t)	Au (g/t)
<b>WLK17</b>	<i>Jan. 30, 2020 and (footwall zone)</i>	<b>60.5</b>	<b>71.5</b>	<b>11</b>	<b>13.77</b>	<b>2.94</b>	<b>113.7</b>	<b>1.08</b>
		<b>71.5</b>	<b>110.5</b>	<b>39</b>	<b>0.18</b>	<b>0.41</b>	-	-
<b>WLK16A</b>		<b>128.06</b>	<b>130.83</b>	<b>2.77</b>	<b>21.58</b>	<b>2.04</b>	<b>81.1</b>	<b>0.42</b>
<b>WLK14B</b>	<i>Dec. 11, 2019 including</i>	57.05	67.60	<b>10.55</b>	<b>9.51</b>	<b>1.87</b>	<b>54.5</b>	<b>0.48</b>
		57.73	64.04	6.31	14.51	2.35	111.1	0.66
<b>WLK14A</b>		78.82	87.20	8.38	0.28	1.15	27.5	0.23
<i>including</i>		78.82	82.17	3.35	0.11	2.05	59.7	0.51

Source: RCS Estimates, S&P Global Market Intelligence

A geophysical survey in 2019 (Figure 14) successfully imaged the deposit with gravity anomalies having an extent of 300 x 30m, coincident with the extent of the drilled massive Zn-Cu mineralization. Subsurface gravity inversion models also reveal a 350m strike length untested greater than 300 kg/m<sup>3</sup> density contrast anomaly. The density high has an apparent shallow, SW plunge extending to a vertical depth of 200m down-dip of historical drill holes WLK-5, WLK-6 and WLK-7 at the current western limit of drilling. In addition to delineating and highlighting areas of known subsurface mineralization, multiple density contrast gravity inversion anomalies occur along strike over a combined distance of approximately 1.4km. These anomalies are coincident with the mapped continuation of the Korokayiu VMS prospect and are associated with anomalous historical Zn values in trench, rock, and soil samples.

Figure 14: 2019 untested gravity anomalies



Source: RCS Estimates, S&P Global Market Intelligence

**Next Steps**

- 1) Geological mapping and soil/rock geochemistry at and around the seven presently known target areas.
- 2) Induced Polarization (IP) survey at Wainaleka and its extension (Kove Kove ~ Echo Creek) to fine-tune definition of future drill targets.
- 3) A 1500m drill program to test the lateral and depth extensions of the mineralized zone outlined by earlier drilling, consisting of at least three diamond core holes. Additional drill holes to be located based on results from the IP survey, mapping and soil/rock geochemistry.
- 4) 101m diamond hole completed at Wainaleka to obtain samples from the mineralized zone for processing test work in Tokyo in order to get a first estimate of recoverability and projected concentrate quality.

**Rama Creek Cu-Au (100%-owned)**

Thunderstruck's 100%-owned Rama porphyry prospect is a large, low-grade Cu-Au asset in which the company has recently delineated its newly discovered Senikura gold zone. Since acquiring the asset in 2016, Thunderstruck has undertaken surface geochemical and geophysical exploration campaigns, resulting in numerous anomalous geophysical, rock, trench, and soil samples confirming and extending zones of known Au and Cu mineralization. The prospect sits within SPL No. 1425 and is located ~40km west of Newcrest's Namosi Cu-Au porphyry and along with landowner agreements, has been renewed for 5 years, the maximum allowed under Fijian exploration policy.

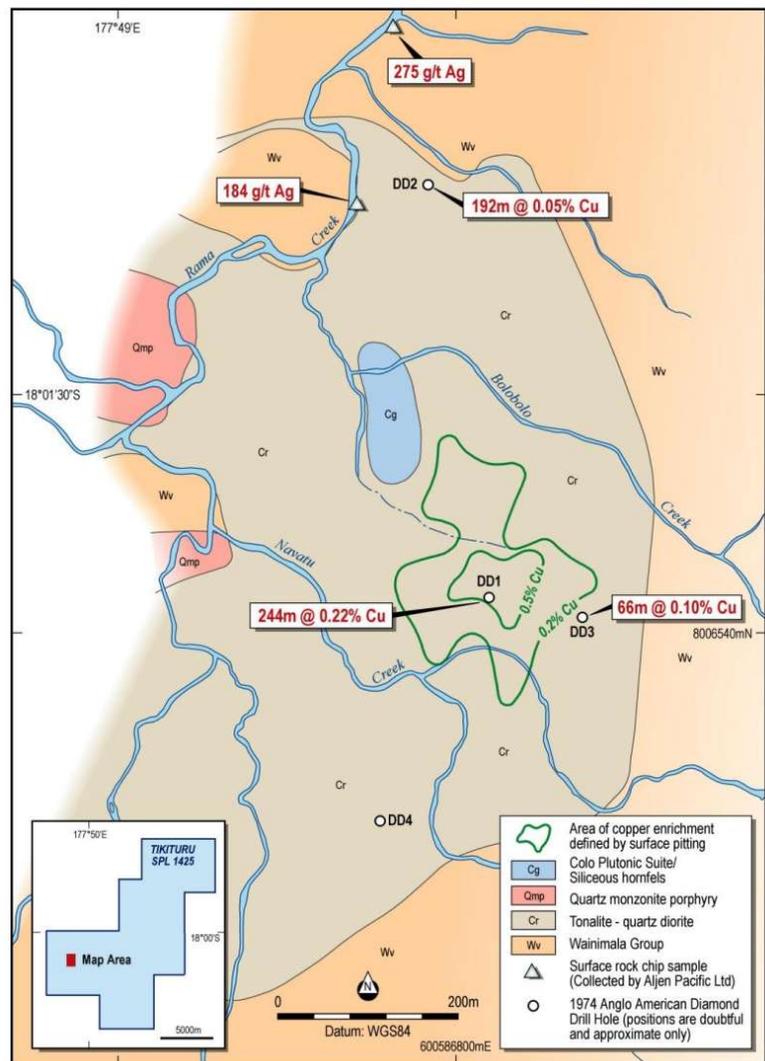
**Historical Work**

The Rama Creek Cu-Au porphyry prospect was discovered in 1971 following reconnaissance stream sediment sampling, geologic mapping and geophysical surveys carried out by Barringer Fiji Ltd. Following discovery, Barringer entered a JV with Australian Anglo American Ltd. In 1975, Anglo drilled four vertical diamond drill holes for a total of 802m. Mineralization was intersected in each hole. Highlights include:

- DDH1 intercepted a 244 m interval averaging 0.22% Cu (from 6 to 250m), ending in mineralization; including an average of 0.23 g/t Au over 66m (from 6 to 72m).
- DDH3 collared approximately 100m east of DDH1, returned 60m averaging 0.098% Cu (from 6 to 66m) within pyrite and chalcopyrite mineralized volcanics.

The geology was interpreted as a classic porphyry Cu-Au system with phyllic and argillic alteration zones overprinting an earlier potassic core (Figure 15).

**Figure 15: Anglo American drill results and geology - Rama Creek 1975**



Source: RCS Estimates, S&P Global Market Intelligence

### Mineralization

The prospect occurs in an area where mafic and andesitic rocks of the Wainimala Group are intruded by Colo porphyritic intrusions. These intrusions consist of at least two phases. The earlier phase is an ellipsoidal tonalite – quartz diorite intrusion and the later phase is a quartz monzonite which occurs as dykes and small irregular bodies. Stockwork quartz veining occurs mainly in the tonalite, containing the bulk of the copper mineralization. A recent academic study at Rama Creek confirms that mineralization and alteration styles observed represent a classic porphyry style Cu-Au system. The alteration, the study suggests, is associated with the potassic zone of a porphyry system that has been emplaced through structural controls. The porphyry system is thought to be exposed at moderate depth thus exposing argillic, phyllic and potassic alteration styles.

### Recent Work

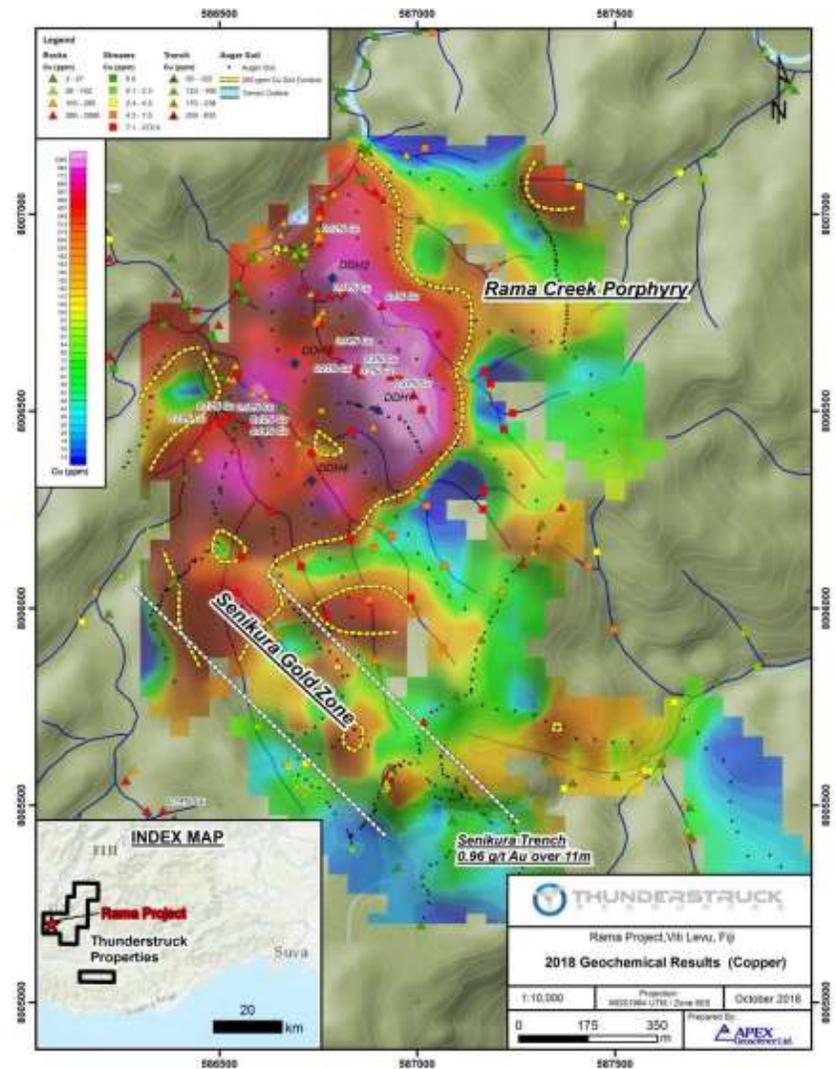
Thunderstruck has completed soil, rock, BLEG, trench and geophysical campaigns to better define the porphyry target. Based on the results of geological mapping completed by Thunderstruck, the Rama Creek Cu-Au

porphyry target exhibits strong a northwest-southeast structural control. The Rama Cu-Ag stockwork veined porphyry zone is separated from the Senikura gold zone to the south by a wide northwest trending zone of hydrothermal brecciation.

**Senikura Gold Discovery**

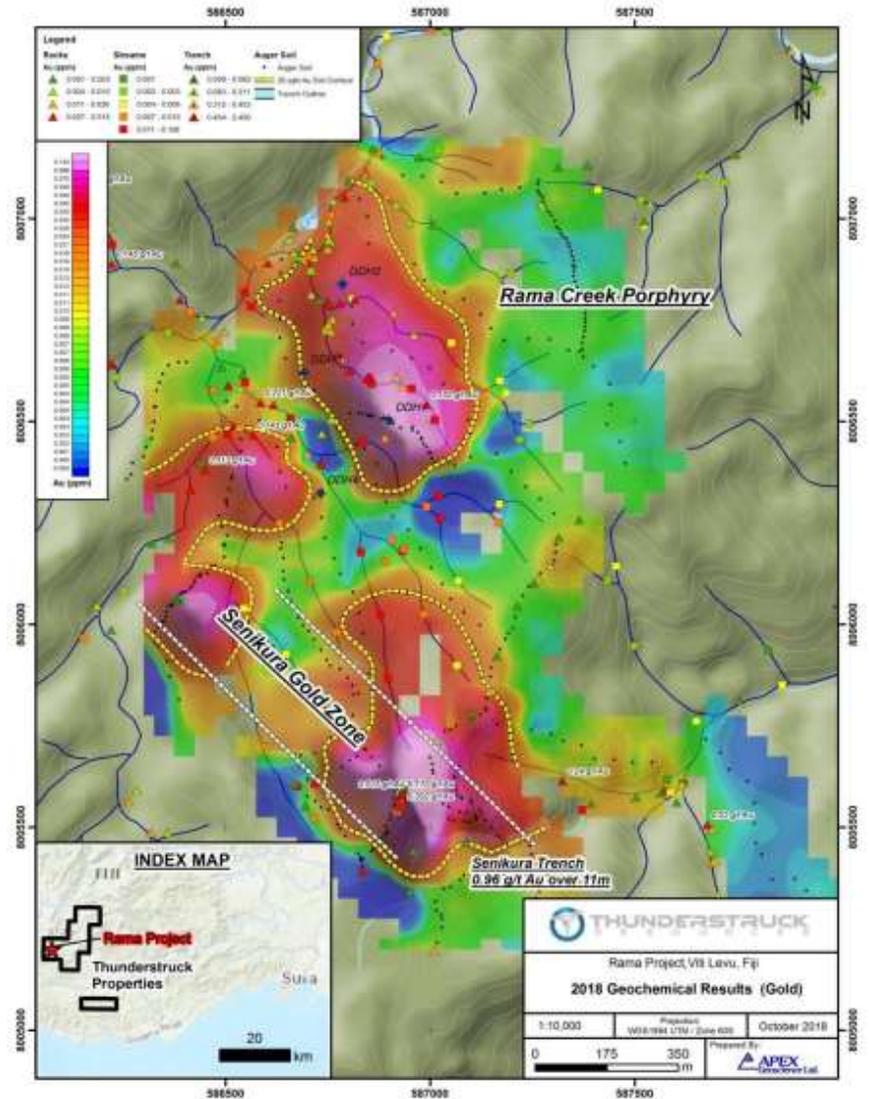
Thunderstruck’s surface sampling, geophysical and trenching programs have highlighted zones with anomalous Au values that subsequently led to the discovery of the Senikura gold zone. The gold zone is an extensive zone of anomalous gold values over a potential 1.5km strike, offset 1km to the south of the interpreted centre of the Rama Cu-Au porphyry target. Extensive Ridge-and-spur auger soil geochemical sampling have both highlighted and extended the prospect. Furthermore, the Senikura gold zone target returned trench results of 0.55 g/t Au over 37.6m; including 0.96 g/t Au over 11m (278767-2787772) and may be a higher-level manifestation of porphyry hydrothermal system (Figures 16, 17). IP/Resistivity survey inversion shows a chargeability-conductivity anomaly that extends to a depth of at least 500 m, and 150m below the limit of historic drilling by Anglo Pacific, which ended in mineralization.

**Figure 16: Rama Creek Cu Geochemistry**



Source: RCS Estimates, S&P Global Market Intelligence

Figure 17: Rama Creek Au Geochemistry



### Nakoro Cu-Zn (100%-owned)

Thunderstruck's 100%-owned Nakoro Cu-Zn VMS prospect hosts anomalous Cu and Zn intercepts from historical drilling and from recently discovered surface expressions. Mineralization is open at depth and along strike. The prospect sits within an 8km untested prospective geologic horizon highlighted through the interpretation of regional magnetics. Nakoro is hosted within the same geologic units as the company's highly prospective Korokayiu VMS prospect. The prospect sits within SPL No. 1425 and, along with landowner agreements, has been renewed for 5 years, the maximum allowed under Fijian exploration policy.

### Historical Work

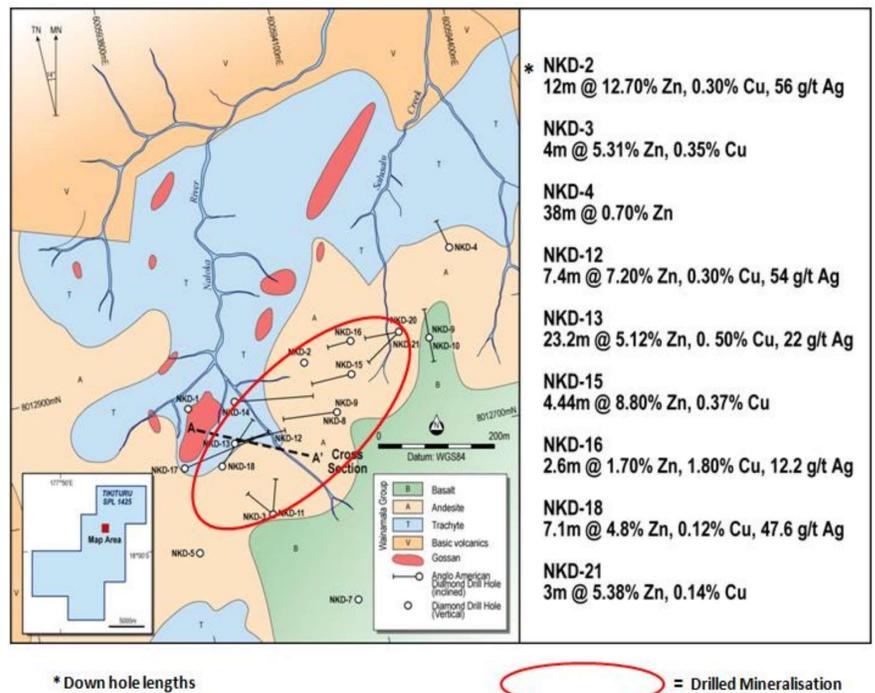
The Nakoro VMS prospect was initially identified by country wide stream sediment sampling programs undertaken by Barringer Fiji Ltd. in the 1960's. Barringer entered a JV with Australian Anglo American Ltd. in 1974 who carried out two drill campaigns in 1975 and 1977. Highlights included:

- 12.7% Zn and 0.3% Cu over 12.0m (NKD 2)
- 5.1% Zn and 0.5% Cu over 23.2m (NKD 13)

After laying untouched for years VMS exploration was revived on the property in 2006 with surface sampling aimed at discovering surface expressions of high-grade historic drill intersections. During 2009-2012 diamond drilling programs were carried out with a back-pack drill. The best intersections were:

- 2.9% Cu, 1.3% Zn, 33.3 g/t Ag over 1.6m (NKD 111)
- 2.62% Cu, 6.61% Zn, 25.6 g/t Ag over 3.0m (NKD 123)

**Figure 18: 1975-1977 Anglo Nakoro Diamond Drill Hole Results**



Source: RCS Estimates, S&P Global Market Intelligence

**Next Steps**

The Nakoro VMS prospect, like Korokayiu, is hosted within the Wainamala Group and has historical high-grade intercepts of Cu and Zn. The targets highlighted at Nakoro warrant further exploration through modernized, higher resolution techniques and drilling of high-grade zones to expand the known extent of mineralization. Thunderstruck is seeking JV partners on Nakoro.

**Risks**

Our view is based on publicly available information but note that our estimates and views are not without political, technical, geologic or financing risk typical for junior exploration companies. For Thunderstruck, three risks are of note.

- **Exploration** – Our positive view relies on very early stage exploration results. Future results may materially differ and negatively impact our assumptions.
- **Permitting** – A permitting risk exists should the company fail to meet technical and permitting requirements for its projects or encounter unforeseen hurdles pertaining to the permitting of its projects.
- **Market Sentiment** – While we expect current markets to continue to improve, our estimates may be negatively impacted by a change in market sentiment.

As new information becomes available, we plan to refine our numbers.

## **Appendix A: Management & Directors**

### **Bryce Bradley – President & CEO, Co-Founding Director**

With a strong background in Capital Markets and Investment Banking, Ms. Bradley has facilitated the structuring and financing of dozens of private and publicly traded small and micro-cap companies. She founded and served as President of Saltus Mercantile (Robson Capital Partners) and Generic Capital, two merchant banks focused on capital raising and advisory services for mining exploration companies. Since 2014, she has focused exclusively on building Thunderstruck Resources and advancing its portfolio of exploration assets. She received an Honours B.Sc. degree from the University of Toronto in 1996. She supports multiple local and international charities as an active member of the Rotary Club

### **Wilson Michael – Chief Financial Officer**

Mr. Michael is a Fijian national and has acted as CFO for other resource companies in Fiji, so is familiar with industry-specific accounting requirements. He brings a sound knowledge of Fijian business practices and regulatory issues, having worked in various roles as accountant, CFO and manager for a variety of companies in the Pacific Islands, including property developers, international shipping operators, mobile phone companies and local municipalities. Mr. Michael is an Associate of the Institute of Chartered Secretaries and Administrators.

### **Robert Phillips – Senior Exploration Geologist**

A results-driven geologist with experience working for majors and juniors across the world, Mr. Phillips brings years of experience in drill program management, geochemical and geophysical program design and interpretation and ore body modeling. As Project Geologist for global resource companies, he has advanced their understanding of deposits by managing all facets of the exploration process – sampling, mapping, drilling, interpreting results and creating 3D modeling and resource estimates. Robert graduated from the University of Toronto with a double major in geology and science. He has also trained with the Canadian Armed Forces where he completed infantry, weapons and specialist training.

### **Rob Christl – Investor Relations**

Rob is a seasoned investor, speculating in the junior exploration space for over 30 years. He is an early supporter and large shareholder of Thunderstruck. In 2015 he completed his Exempt Market Products Course (EMD), raising money for both public and private companies with Robson Capital, of Vancouver Canada. In 2018 Rob joined Thunderstruck as Investor Relations Manager, building the Company's shareholder base through direct communication and social media platforms. Rob brings a wealth of capital raising and marketing experience to his role at Thunderstruck, with an invested interest in the Company's success.

### **Moape Navia – Country Manager**

Mr. Navia is a Fijian national with over 40 years of industry experience, from exploration through to mine development. Mr. Navia served as Manager of Mining, Land and Permits for Lion One's (LIO-TSXV) Tuvatu Gold Mine Project for 13 years. Prior to that he spent 15 years as Regulatory Officer for the Fiji Mineral Resources Department. Mr. Navia began his mining career working at the Emperor Gold Mine in Fiji for eleven years as a trainee to underground and exploration geologists. His previous work also included environmental baseline studies with Japan's Metal Mining Agency and the Fiji/Japan International Cooperation Agency Project.

**Brien Lundin – Co-Founder and Chairman of the Board**

With a career in analyzing and speculating in the metals, mining and technology sectors that spans four decades, Mr. Lundin is a co-founder and Director of Thunderstruck Resources, Ltd. Mr. Lundin also serves as President and CEO of Jefferson Financial, Inc., a private company that hosts the annual New Orleans Investment Conference, now in its 46<sup>th</sup> year of educating investors. In addition, he edits and publishes Gold Newsletter, which stands as the oldest continuously published precious metals and mining advisory, having served as the cornerstone of the industry since 1971.

**Lawrence Roulston – Director**

Mr. Roulston is a mining professional with over 35 years of diverse experience as a mining analyst and consultant. He is Managing Director of WestBay Capital Advisors, providing business advisory and capital markets expertise to the junior and mid-tier sectors of the mining industry. Previously, he was the editor of Resource Opportunities, an independent investment publication focused on the mining industry. Mr. Roulston holds a B.Sc. in geology. He is Chairman of Metalla Royalty and Streaming Ltd. And an advisor to Metallis Resources Inc. He is Chairman of Metalla Royalty and Streaming Ltd. And an advisor or director of several other companies.

**Linnea von Hessert – Director**

Ms. von Hessert is a geologist with over 20 years experience in the mining industry, having worked for majors and juniors as well as the Bureau of Land Management in Nevada. She is an active investor with significant holdings in the mineral exploration industry. She graduated from the University of Montana with a B.S. in geology in 1999.

**Jacob Willoughby | VP, Mining Analyst**  
**Paul Kostuik | Research Associate**  
**Koby Kushner | Research Associate**  
**Alina Islam | Research Associate**

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Disclosure Statement

Updated: 12/9/20

Recommendation / Target Change			Red Cloud Securities has this percentage of its universe assigned as the following:	
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			BUY (S)	7%
			HOLD	2%
			SELL / Tender	0%
			NA	20%
			Under Review	0%

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Company Name	Ticker Symbol	Disclosures
Thunderstruck Resources Ltd.	TSXV:AWE	3,4

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