THUNDELARRA
EXPLORATION

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Good Afternoon

Please find attached Thundelarra's Annual Report to Shareholders.

Yours sincerely
Thundelarra Exploration Ltd

FRANK DMEARTE
Executive Director

Acquiring and exploring
Australia's resources

2002 ANNUAL REPORT

THUNDELARRA
EXPLORATION

CORPORATE DIRECTORY

DIRECTORS
Philip G Crabb
FAusIMM, MAICD
(President and Chairman)

Jeremy C Caddy
Bsc, C Eng, FIMM
(Chief Executive Officer and Director)

Frank De Marte
B.Bus FCIS, MAICD
(Executive Director and Chief Financial Officer)

Ross Glanville
B.Asc, P Eng, MBA, CGA
(Non Executive Directors)

Brian Richardson
MAusIMM, BSc (Hons)
(Non Executive Director)

Rick W Crabb
B.Juris (Hons), LLB, MBA
(Non Executive Directory)

Malcolm R J Randall
B.Applied Chem.
(Non Executive Director)

AUSTRALIAN SOLICITORS
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WEST PERTH WA 6005

CANADIAN SOLICITORS
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WEBSITE:
http://www.thundelrra.com

Visitors to our web site will find information on the company including shareholder reports, press releases, quarterly reports and annual reports.

COMPANY SECRETARY
Steven Sobolewski
BA, LLB

PRINCIPAL PLACE OF BUSINESS
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AUSTRALIAN SHARE REGISTRY
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AUDITORS
Desai and Associates
Suite 201-5990 Fraser Street
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PRESIDENT'S REPORT TO SHAREHOLDERS

Dear Shareholder

The Company has continued with exploration throughout Australia during this past year and met with considerable success on a number of our projects. Most notably was our discovery of nickel sulphides along with copper, platinum and palladium group metals at our Eileen Bore, Copernicus and Salk targets in the East Kimberley of Western Australia. An important Regional Agreement was also signed with Rio Tinto covering the majority of our tenements in the East Kimberley. Along with our joint venture partners BHP Billiton and Gravity Capital Ltd another diamondiferous kimberlite, Niobe, was discovered at our Phillips Range diamond project in the Central Kimberley.

We are advised by Gravity Capital Ltd that they propose to fly the approximately 1000sq km of the Phillips Range area using the Falcon™ technology during March 2003.

Exploration for gold was also high on our agenda and work is continuing on these projects on an ongoing basis. Shareholders should bear in mind we have a indicated/inferred resource base of 115,000 ozs which is expected to increase significantly this year. Thundelarra has 6 active gold projects within its tenement portfolio.

Details of these projects and joint ventures along with projects we are self-funding are clearly explained elsewhere in this report and I urge you to read them through. Our dedicated exploration team led by Mr Brian Richardson have had a busy and rewarding year and they are commended for their efforts.

Your Company recently extended to shareholders a Share Purchase Plan, which was only open for a short period and closed on 11 December 2002 and the Directors were delighted with the response 183 shareholders took up 3,154,883 shares for a total of $725,623 which will be put to use immediately towards our various exploration projects. This response indicates we have a strong and loyal shareholder base and I wish to personally thank those shareholders who contributed for the benefit of all. I have great faith in the Company's future and it is a matter of public knowledge that I significantly increased my shareholding in the Company this past year.

On 10 January 2003, the shares of the Company were delisted from the TSX Venture Exchange, at the request of the board of directors of the Company. The board has noticed for some time that the shares of the Company have traded infrequently on the TSX Venture Exchange and in small parcels. Moreover, a recent survey by the Company's share registrar revealed that fewer than 10% of the total number of shares owned By Canadian residents. Taking these matters into consideration, it was the decision of the directors that maintaining a listing on two exchanges, the TSX Venture Exchange and the Australian Stock Exchange, was not a satisfactory use of shareholders funds. The shares of the Company continue to be listed on the Australian Stock Exchange.

Our prime exploration targets outside of our gold tenements are in the Kimberley region of Western Australia and shareholders are to bear in mind the monsoon lasts from the end of November up until the beginning of April and that situation will have a direct bearing on our level of exploration intensity. The monsoon generally does not have a significant impact on Mining Operations due to suitable infrastructure being in place during the ensuring months. Considerable attention will be centered on desktop interpretation along with increased field activities on our gold prospects in the southern region of Western Australia.

We remain focussed and confident of further success again this year hopefully leading to a positive cash flow scenario from production and I urge you to continue to follow your Company's activities with interest.

Yours faithfully
Thundelarra Exploration Ltd

PHILIP G CRABB
FAusIMM MAICD
President

DIVERSIFIED MINERAL EXPLORER FOCUSSED ON WESTERN AUSTRALIA

Thundelarra has a quality portfolio of exciting diamond, gold, nickel-copper and platinum group element projects within Western Australia. During 2002, all projects were significantly advanced through exploration by Thundelarra or by various joint venture partners.

In the East Kimberley, drilling by Thundelarra discovered encouraging nickel, copper and platinum group element mineralisation associated with mafic-ultramafic intrusions within the Eileen Bore tenement. A Regional Agreement was signed with Rio Tinto for the review and possible exploration for world-class nickel-copper sulphide deposits within Thundelarra's extensive tenement holding in the Halls Creek Orogen.

In the Central Kimberley, a new diamondiferous kimberlite was discovered at Phillips Range from a very limited drilling program. An extensive Falcon TM airborne gravity survey is scheduled for early 2003.

In the Southern Murchison, important joint ventures were formed on the Rothsay and Warriedar projects with companies operating gold plants within the region. A feasibility study has commenced on the high-grade underground gold resource at Rothsay and drill programs are planned for early 2003 on strategic tenements within the Warriedar project. Thundelarra acquired a 50% interest in the Monti Crisco gold project and commenced the systematic assessment of all gold targets within its extensive Fields Find gold and platinum group element project.

In the Eastern Goldfields, Thundelarra entered into an Option Agreement on the Water Tank gold project in the Norseman Mineral Field. Initial drilling outlined several mineralised structures and follow-up drilling is planned for early 2003.

EXECUTIVE SUMMARY

Diamonds
- New diamondiferous kimberlite discovered at Phillips Range.
- Extensive Falcon™ survey planned for early 2003.

Platinum Group Elements
- Significant platinum group element and copper mineralisation discovered on Eileen Bore project.
- Significant platinum group element mineralisation discovered on Baron-Fields Find project within extensive gabbroic unit.

Nickel-Copper
- Significant nickel-copper sulphide mineralisation discovered on Eileen Bore project.
- Regional Agreement signed with Rio Tinto on East Kimberley nickel-copper project.

Gold
- Water Tank gold project acquired in the Norseman Goldfield.
- Monti Cristo gold project (50%) acquired in Southern Murchison.
- Feasibility study underway on Rothsay project.
- Drilling program underway on Davyhurst project.
- Gold exploration commences on 100% owned Baron-Fields Find project.
- Exploration scheduled to commence January 2003 on Warriedar gold project.

Insert Project Locations Map **

REVIEW OF OPERATIONS

Thundelarra Exploration Ltd (Thundelarra) enjoyed a successful year of exploration during 2002. Significant nickel, copper, platinum group element (PGE) and diamond discoveries were made on the company's projects either by the various joint venture partners or by Thundelarra. New gold projects were acquired and important joint venture agreements signed. Towards the end of 2002, gold exploration commenced on a number of the company's projects and this exploration will not only continue into 2003, but should increase along with the interest in gold.

PHILLIPS RANGE DIAMOND PROJECT
(Thundelarra 95% - Gravity Capital-BHP Billiton earning 60%)

The 925 square kilometre project area covering 25 tenements is located in the Kimberley Region of Western Australia, approximately 2,000 kilometres north of Perth. The project contains the Aries kimberlite, Australia's largest diamondiferous kimberlite (see Phillips Range project map).

In the 2001 field season, BHP Billiton (BHPB) flew a limited Falcon™ airborne gravity gradiometer system survey over part of the project area. The follow-up drilling of 16 gravity targets resulted in the discovery of the non-magnetic Athena, Helena and Persephone satellite kimberlite pipes to the south of the main Aries lobe. Samples of drill core from these pipes and the Aries North and Central lobes were sent to Lakefield Research Mineralogical Services, Canada for diamond and indicator mineral recovery. The diamonds were then sent to Mineral Services International Ltd (MSI), South Africa for detailed assessment.

Insert Phillips Range Project - Tenement boundary, indicator anomalies and proposed Falcon ™ survey area map **

The newly discovered Athena and Persephone kimberlites both returned encouraging microdiamond counts. A summary of the MSI microdiamond results is tabled below:

Table 1
Microdiamond Extraction Results

Kimberlite	Sample	Submitted wt (kg)	Processed wt (kg)	Diamonds described*1	Diamonds described*2	Cts diamonds	Micro grade (cp100t)+
Aries North	GM0607	155	100	10	8	0.00071	0.71
Aries Central	GM0609	272	100	71	67	0.0058	5.8
Helena	GM0620	194	100	3	2	0.00036	0.36
Persephone	GM0626	349	200	173	171	0.0238	11.9
Athena	GM0627	272	200	277	277	0.0125	6.2

*1 - diamonds reported by Lakefield; *2 - diamonds received and described by MSI, + - carats/100 tonnes

The Persephone microdiamonds were of a high overall quality and 5 macrodiamonds weighing a total of 0.0109 carats were recovered. The Athena microdiamonds were also of a very high overall quality but only 1 macrodiamond was recovered (0.0014 carats). The other samples all returned good quality microdiamonds but no macrodiamonds were reported. Under the JORC Code for Reporting of Mineral Resources and Ore Reserves, a macrodiamond is defined as any stone which is larger than 0.4mm in size i.e. diamonds weighing more than 0.001 carats. Microdiamonds are defined as stones that pass through a screen with 0.4mm aperture.

Even though 3 new non-magnetic diamondiferous kimberlites were discovered by BHPB during its first field season, the company undertook no further exploration. In August 2002, BHPB and Thundelarra signed a farmin agreement with Gravity Capital Limited (GCap) on the Phillips Range project. GCap assumed the rights and obligations of BHPB, namely it can earn a 60% equity in the project by sole funding a full feasibility study on the project within an agreed time frame. BHPB will retain the right to displace GCap and resume its operator status in the Joint Venture by paying GCap five times its accumulated expenditure on the farmin area and granting GCap a 2% royalty on BHPB's share of production.

In addition to initiating a new and broader program of Falcon™ coverage over the Phillips Range area, GCap agreed to undertake a ground-based program of exploration and evaluation amounting to at least $100,000. This program involved the drilling of 5 Falcon™ gravity anomalies that were delineated during the BHPB survey. Two holes drilled into the "Niobe" target intersected kimberlitic clays (see Phillips Range kimberlite and target map). A 52.7 kilogram sample of this material was submitted for indicator mineral and microdiamond analysis and a total of 11 microdiamonds and abundant chromites (greater than 10,000) have been recovered. A further 200 kilograms of the kimberlitic material has yet to be submitted for analysis.

The significance of this discovery lies in the indication that the material from the Niobe kimberlite, like the material from the Persephone pipe, is more strongly diamondiferous than that recovered from historic trial mining at the nearby Aries pipe. Furthermore, the Persephone and Niobe pipes lie along a fracture system that shows strong evidence of kimberlitic indicator minerals and contains a number of untested Falcon™ targets. These targets and the fracture system in general, clearly now constitute a focus for intense future on-ground exploration activity.

GCap are scheduled to commence the Falcon™ survey in April 2003, with ground assessment and drilling of priority gravity targets to follow shortly thereafter. This phase of exploration is expected to generate a number of new kimberlites that have eluded previous explorers.

Insert Phillips Range project – Kimberlites and target areas map **

EAST KIMBERLEY PROJECTS

Thundelarra's main exploration focus during the year was on its extensive tenement holding in the East Kimberley (see East Kimberley project map). Additional tenements were applied for increasing the landholding to approximately 3,000 square kilometres, an important Regional Agreement was signed with Rio Tinto and significant platinum group element, nickel and copper discoveries were made on the 100% owned Eileen Bore project.

Thundelarra initially went to the Proterozoic Halls Creek Orogen in search of large tonnage, low grade PGE deposits associated with the numerous mafic/ultramafic intrusions within the region. Significant PGE discoveries were made at Eileen Bore, Big Ben and on the Panton North tenement but the exploration focus for the company changed to orthomagmatic nickel-copper mineralisation towards the end of the field season. The results of this years main exploration programs are detailed below:

Insert East Kimberley Project - Tenement Locations **

Eileen Bore Project
(Thundelarra 100%)

The 190 square kilometre tenement, E80/2716 is located 5 kilometres east of the Panton PGE deposit and 25 kilometres south of the Sally Malay nickel-copper project. The tenement covers over half of the large McIntosh layered intrusion and at least 8 smaller intrusions, all of which are prospective for nickel-copper and PGE mineralisation

In March 2002, Thundelarra commenced its field programs over the Eileen Bore tenement. These programs involved airborne and ground electromagnetic surveys, ground magnetic surveys, soil sampling, geological mapping and a reverse circulation drilling program. The drilling intersected significant PGE-copper-nickel mineralisation at the Eileen Bore prospect and nickel-copper sulphide mineralisation at the Copernicus prospect. In September, a follow-up reverse circulation and diamond drilling program was completed over the Copernicus and nearby Salk prospects. This drilling resulted in the discovery of further significant shallow nickel-copper sulphide mineralisation and also the discovery of a 'blind' sulphide body of unknown vertical and lateral extent at the Salk North prospect (see Copernicus prospect drill section). Significant results from the various drilling programs are presented in Table 2:

Table 2
Eileen Bore Project – Significant Drill Results

Prospect	Hole No.	East	North	From (m)	To (m)	Width (m)	3E+ (g/t)	Cu (%)	Ni (%)
Eileen Bore	EBRC002	389462	8039676	0	16	16	0.65	0.68	0.26
				44	60	16	0.78	0.76	0.34
	EBRC003	389440	8039698	32	44	12	0.96	0.76	0.26
				56	120 (boh)*	64	0.90	0.81	0.35
	EBRC010	389496	8039748	0	116	116	0.90	0.78	0.30
	EBRC011	389473	8039761	36	48	12	0.98	0.79	0.28
				56	60	4	0.94	0.63	0.27
				88	120 (boh)	32	1.00	0.80	0.32
Copernicus	CORC001	4014	5730	39	54	15	-	1.28	1.95
	CORC002	3985	5730	52	60	8	-	0.68	1.32
	CORC003	3949	5729	95.6	96.2	0.6	-	0.38	1.01
	CORC004	4043	5732	5	32	27	-	0.53	1.35
			Including	5	10	5	-	0.67	2.07
	CORC005	4047	5773	20	26	6	-	0.71	1.63
	CORCD008	4008	5774	44.6	53.2	8.6	-	0.81	1.91
			Including	51.0	52.2	1.2	-	0.82	6.05
Salk North	SARC007	3836	5166	54.0	55.0	1.0	-	0.60	1.90

+ 3E = platinum + palladium + gold
* boh = bottom of hole

The PGE, nickel and copper mineralisation at the Eileen Bore, Copernicus and Salk North prospects is associated with pyroxenite units within three small and separate layered mafic/ultramafic intrusions. The results from the first drilling campaign conducted on the Eileen Bore tenement are regarded as very encouraging and further geophysical surveys, mapping programs and drilling is planned for the next field season.

Insert Copernicus Prospect – Drill section 5730 North **

East Kimberley Regional Agreement

In August 2002, Thundelarra signed a Heads of Agreement with Rio Tinto for a review and possible exploration of the East Kimberley Region. Under the terms of the agreement, Thundelarra will conduct a 6 month review of geophysical, geochemical and specialist geological data on the East Kimberley to identify tenements that may be prospective for world class nickel-copper sulphide deposits. Rio Tinto will assist Thundelarra in the review by contributing $75, 000. Thundelarra has granted Rio Tinto the Option to acquire a 70% interest in prospective areas that have been identified, by sole funding joint venture exploration until the earlier of completion of a pre-feasibility study or total expenditure of $20 million.

Thundelarra will be the manager of the joint venture for at least the first 12 months. Importantly if a Small Delineated Resource of in-ground value of less than $1 billion is identified, Thundelarra has the ability to acquire 100% interest in the resource subject to certain conditions.

Thundelarra is undertaking one of the most comprehensive and systematic reviews of the Halls Creek Orogen. It is hoped this study will result in the discovery of a number of prospects with the potential to host world class nickel-copper ore bodies of the size and grade that will warrant Rio Tinto's continued involvement. The study may also discover a number of "small" resources that could be developed by Thundelarra in its own right or through joint venture. The Panton North and Eileen Bore tenements are excluded from the regional review.

SOUTHERN MURCHISON PROJECTS

Thundelarra is a large tenement holder in the highly prospective Southern Murchison Region of Western Australia (see Southern Murchison Project map). The company has 4 separate projects of some 800 square kilometres containing the Rothsay and Baron Rothschild gold resources, numerous gold prospects and the recently discovered PGE occurrences at Fields Find and Dauphin.

Fields Find-Baron Project
(Thundelarra 100%)

This project comprises 37 tenements covering 587 square kilometers and is located approximately 420 kilometres north of Perth. The project contains the Baron Rothschild gold resource (46,000 ozs Indicated/Inferred), the Fields Find mine (39,500 ozs gold past production) and numerous gold workings and occurrences. Thundelarra has commenced the systematic assessment of the all previous exploration on the tenement area and it is anticipated that the first phase of drilling will commence early in 2003. The Fields Find-Baron project has a number of advanced gold prospects with significant drill intercepts including 7 metres @ 13.5 g/t gold at the Raven prospect.

The Fields Find-Baron project not only has good potential to host gold deposits but it also has significant PGE potential. In 1998 and 1999 PGE mineralisation was first discovered at the Breakaway prospect and subsequently at the Dauphin prospect, some 25 kilometres to the east. In 2002, Thundelarra made a significant breakthrough in the understanding of the style and controls of PGE mineralisation within the project area. Systematic mapping, geochemical sampling and limited drilling defined the mineralised host rock for the PGE mineralisation. Drilling at the Dauphin prospect intersected a broad zone of mineralisation within gabbro at the contact with underlying pyroxenite (BNRC006 16 metres @ 0.58g/t PGE + gold). Subsequent detailed mapping traced this prospective contact zone for over 30 kilometres within the project area and importantly linked the mineralisation found at Dauphin with the original discovery at Breakaway.

To accelerate exploration on the project, Thundelarra has entered into joint venture negotiation with a major overseas company. An agreement is expected to be finalised early in 2003.

Rothsay Project
(Thundelarra earning 70%)

The Rothsay gold project is located 35 kilometres south west of the Fields Find-Baron tenements and consists of 2 granted mining leases covering 11 square kilometres. The leases contain the Rothsay high-grade gold resource associated with narrow quartz veins.

A number of these veins were mined up to 1994 and have produced approximately 56,000 ozs of gold from open-cut and underground operations. The project has an Indicated/Inferred Resource of 69,000 ozs of gold at an estimated grade of 11g/t using a 7 g/t cut-off and a 1.2 metre minimum mining width.

In March 2000, Thundelarra entered into an agreement with the tenement holders, Central West Gold NL, to earn 70% equity in the project by the expenditure of $350,000 over a 3 year period. In May 2002, Thundelarra entered into a second agreement with Menzies Gold NL (Menzies), the operators of the nearby Gullewa gold mining operation. Under the terms of this agreement, Menzies has the right to earn 50% of Thundelarra's equity by completing a Final Feasibility study by May 2003 and to commence production by November 2003. Thundelarra's equity will be free-carried to the completion of the feasibility study and carried to the commencement of mining. The carried expenditure will be refunded from 70% of Thundelarra's share of cash flow from the project.

In September 2002, Menzies announced the successful completion of the first phase of metallurgical/resource drilling on the Rothsay project. A total of 939 metres of reverse circulation pre-collar drilling followed by 317.39 metres of HQ diamond tails was completed in 4 angled holes, including 3 wedged holes and one vertical hole.

From the above intersections, two representative metallurgical samples were prepared and submitted to Perth based metallurgical laboratory, Oretest. The samples were tested for traditional gravity/leach amenability as well as conventional flotation. Results from the test work show that the deeper Rothsay ore is amenable to conventional processing with low reagent consumption, which the current Menzies plant is capable of treating. Originally it was assumed that the ore would require flotation. The feasibility study is continuing and a final report is scheduled for completion early in 2003.

Monti Cristo Project
(Thundelarra 50%)

In October 2002, Thundelarra acquired a 50% interest in the Monti Cristo project comprising 4 prospecting licenses covering 521 hectares, located 30 kilometres southeast of Yalgoo. The tenements cover approximately 3 kilometres strike of a northwest trending mineralised structure marked by a number of small gold workings and shafts. Recent gold exploration on the project is limited and consisted of reverse circulation drilling beneath a number of shallow workings. This drilling returned a number of significant results including:

12 metres @ 4.6 g/t gold from 76 metres (includes 2 metres @ 15.1 g/t gold)
5 metres @ 5.8 g/t gold from 59 metres (includes 2 metres @ 36.3 g/t gold)
2 metres @ 3.8 g/t gold from 79 metres

Thundelarra has commenced the initial field programs across the project with drilling planned early in 2003.

Warriedar Project
(Thundelarra 100% - Gindalbie earning 60%)

The Warriedar project consists of 5 tenements comprising 197 square kilometres and is a joint venture between Thundelarra and Gindalbie Gold NL (Gindalbie).

Under the terms of the joint venture, Gindalbie sole funds exploration on the tenements until a 50,000 oz gold resource is defined. Thundelarra will retain a 40% equity in any resource defined and has the option to participate in any mining operation on the joint venture area. Gindalbie are currently producing gold from their Minjar gold operation on tenements contiguous with the Warriedar project.

Gindalbie has identified a number of priority targets within the Warriedar tenements and exploration is scheduled to commence January 2003 after the granting of the main tenement. The Warriedar project has the potential to generate early cash flow for the company, as Gindalbie increases its exploration focus in the region.

Insert Southern Murchison Project - Tenement locations **

EASTERN GOLDFIELDS PROJECTS

Water Tank Project
(Thundelarra earning 100%)

Thundelarra has entered into an Option to Purchase agreement with Darkdale Pty Ltd (Darkdale) to acquire a 100% equity in the Water Tank tenements for 750,000 shares and 375,000 Options exercisable at $0.50. Darkdale is to retain a 1.25% gross royalty on all metals produced. Thundelarra may withdraw at any time from the joint venture without penalty.

The Water Tank project comprises 3 granted prospecting licenses (350 hectares) located approximately 5 kilometres east of Norseman. The tenements cover the south east extension of the Princess Royal fault, which is interpreted to have been important in localising the gold mineralisation at the North Royal mines (past production > 2 million ozs gold). A number of other important structures occur within the project and the systematic assessment of these structures has commenced.

The initial phase of exploration involved 2 vertical aircore drilling programs over the southern part of the project. This drilling has defined a number of gold mineralised structures and a phase of angled drilling is scheduled to commence early in 2003.

Davyhurst Project
(Thundelarra 100% - Perilya earning 65%)

The Davyhurst tenement, E16/175, is located approximately 110 kilometres northwest of Kalgoorlie and covers 7 kilometres strike of the prospective Zulieka Shear. In September 2001, Thundelarra entered into an agreement with Perilya Limited (Perilya) covering this tenement. Under the terms of the joint venture, Perilya has the right to sole fund $1.7 million expenditure over 4 years to earn 65% interest in the tenement. Perilya is also committed to sole fund a minimum of $150,000 within 12 months of signing the formal agreement.

Perilya has commenced a RAB drilling program to test a number of shears prospective for gold within the project area.

British Columbia Securities Commission

BCSC

QUARTERLY REPORT

BC FORM 51-901F

ISSUER DETAILS

NAME OF ISSUER			FOR YEAR ENDED			DATE OF REPORT Y	M	D
THUNDELARRA EXPLORATION LTD.			02	09	30	02	12	17
ISSUER ADDRESS: 1500 – 885 WEST GEORGIA STREET								
CITY/ VANCOUVER	PROVINCE BC	POSTAL CODE V6C 3E8	ISSUER FAX NO. 604-682-6722			ISSUER TELEPHONE NO. 604-682-6718		
CONTACT PERSON JEREMY CADDY		CONTACT POSITION CHIEF EXECUTIVE OFFICER				CONTACT TELEPHONE NO. 604-682-6718		
CONTACT EMAIL ADDRESS jcc4tlx@intergate.bc.ca		WEB SITE ADDRESS www.thunderlarra.com						

CERTIFICATE

The three schedules required to complete this Report are attached and the disclosure contained therein has been approved by the Board of Directors. A copy of this Report will be provided to any shareholder who requests it.

DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED Y	M	D
	PHILIP CRABB	03	01	20
	FRANK DeMARTE	03	01	20

FIN51-901F Rev.2000/12/19

THUNDELARRA EXPLORATION LTD.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED
SEPTEMBER 30, 2002

DESAI AND ASSOCIATES
Chartered Accountants
Incorporated Professionals
Suite 201 - 5990 Fraser Street, Vancouver, B.C. ,Canada V5W 2Z7 Tel: (604) 321-9992 Fax: (604) 321-9998

AUDITOR'S REPORT

We have audited the consolidated balance sheet of Thundelarra Exploration Ltd. as at September 30, 2002 & 2001 and the consolidated statement of operations and deficit, and cash flows for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. These standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the company as at September 30, 2002 & 2001 and the results of its operations and the changes in its financial position for the year ended in accordance with Canadian generally accepted accounting principles.

As required by the company Act of British Columbia, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

DESAI AND ASSOCIATES
Chartered Accountants

"M.R. Desai, C.A."

Vancouver, British Columbia
December 17, 2002

THUNDELARRA EXPLORATION LTD.
CONSOLIDATED BALANCE SHEETS
AS AT SEPTEMBER 30
(ALL FIGURES REPORTED IN CANADIAN $)

	2002	2001
ASSETS		
Current		
Cash and term deposit	$ 648,892	$ 1,374,339
Accounts receivable	5,086	13,015
Prepaid expense and deposits	2,800	2,800
	656,778	1,390,154
Mineral property costs – Note 4	7,158,502	5,959,130
Capital assets – Note 3	127,386	125,237
	$ 7,942,666	$ 7,474,521
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current		
Accounts payable and accrued liabilities	$ 69,727	$ 49,281
Shareholder's equity		
Capital stock – Note 6	14,260,140	12,944,064
Contributed surplus	3,967	3,967
Deficit	(6,391,168)	(5,522,791)
	7,872,939	7,425,240
	$ 7,942,666	$ 7,474,521

On behalf of the Board:

__________________ Director __________________ Director

The accompanying notes are an integral part of these financial statements.

THUNDELARRA EXPLORATION LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT
YEAR ENDED SEPTEMBER 30
(ALL FIGURES REPORTED IN CANADIAN $)

	2002	2001
GENERAL AND ADMINISTRATIVE EXPENSES		
Administration costs	$ 6,515	$ 66,965
Amortization	40,488	21,352
Bank charges	3,006	4,498
Office and miscellaneous	180,286	133,766
Professional fees	154,490	200,890
Regulatory and trust company fees	52,810	61,081
Shareholder and investor relations	108,306	23,037
Travel	65,168	41,223
Salaries	189,941	81,531
Loss before other items	801,010	634,343
Foreign exchange loss	125,599	-
Interest and other income	(58,551)	(196,685)
Write-off of mineral property costs	319	156,420
Loss for the year	868,377	594,078
Deficit, beginning of year	5,522,791	4,928,713
Deficit, end of year	$ 6,391,168	$ 5,522,791

The accompanying notes are an integral part of these financial statements.

THUNDELARRA EXPLORATION LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEAR ENDED SEPTEMBER 30
(ALL FIGURES REPORTED IN CANADIAN $)

	2002	2001
CASH FLOWS FROM OPERATING ACTIVITIES:		
Loss for the year	$ (868,377)	$ (594,078)
Items not involving cash		
Depreciation and amortization	40,488	21,352
Write-off of mineral property costs	319	156,420
Cash used in continuing operating activities before financing working capital	(827,570)	(416,306)
Cash provided by changes in non-cash working capital items	28,375	(207,827)
Net cash provided by operating activities	(799,195)	(624,133)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Mineral property costs	(1,176,441)	(1,522,325)
Purchase of capital assets	(42,637)	(134,214)
Net cash provided by investing activities	(1,219,078)	(1,656,539)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Share capital issued for cash	1,317,355	2,805,466
Share capital issued for subsidiary	-	500,000
Share capital issue costs	(24,529)	(147,259)
Net cash provided by financing activities	1,292,826	3,158,207
Increase (decrease) in cash for the year	(725,447)	877,535
Cash, beginning of year	1,374,339	496,804
Cash, end of year	$ 648,892	$ 1,374,339
Supplemental disclosure for non-cash operating, financing and investing activities		
Shares issued to purchase company	$ -	$ 500,000
Shares issued to acquire mineral claims	$ 23,250	$ -

The accompanying notes are an integral part of these financial statements.

THUNDELARRA EXPLORATION LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2002
(ALL FIGURES REPORTED IN CANADIAN $)

1. NATURE OF OPERATIONS AND CONTINUING OPERATIONS

The Company is engaged in the acquisition, exploration and development of precious gem and metal properties. These financial statements are prepared on a going concern basis which assumes that the Company will be able to realize assets and discharge liabilities in the normal course of business. As at September 30, 2002, the Company had working capital of $587,051 (2001 - $1,340,873) and an accumulated deficit of $6,391,168 (2001 - $5,522,791). The Company's ability to continue as a going concern depends on it ability to successfully raise additional financing. If the Company is unable to obtain additional financing the Company may be forced to realize its assets at amounts significantly lower than the current carrying value.

2. SIGNIFICANT ACCOUNTING POLICIES

Principals of consolidation

These consolidated statements include the accounts of the Company and its wholly owned subsidiary Magmatic Metals Ltd. (Incorporation, Australia).

Loss per share

Basic and fully-diluted losses per share have not been calculated as they are not meaningful at this stage of the Company's development.

Mineral properties

The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable.

Mineral acquisition, exploration and development costs are capitalized on an individual prospect basis until such time as an economic ore body is defined or the prospect is abandoned. Costs for a producing prospect are amortized on a unit-of-production method based on the estimated useful life of the ore reserves, while those costs for abandoned prospects are written-off.

The recoverability of amounts capitalized for undeveloped mineral properties are dependent upon the determination of economically recoverable ore reserves, confirmation of the Company's interest in the underlying mineral claims, the ability to obtain the necessary financing to complete their development and future profitable production or proceeds from the disposition thereof.

3. CAPITAL ASSETS

	2002			2001		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Plant and Equipment	$ 15,272	$ 4,820	10,452	$ 11,790	$ 2,289	$ 9,501
Motor vehicles	129,566	36,521	93,045	95,976	12,326	83,650
Furniture and Equipment	44,688	20,799	23,889	40,608	8,522	32,086
	$ 189,527	$ 62,140	$ 127,386	$ 148,374	$ 23,137	$ 125,237

(ALL FIGURES REPORTED IN CANADIAN $)

4. MINERAL PROPERTIES

	2002	2001
Ant Claims, Yukon Territory	$ 8,199	$ 8,199
Baron Prospect, Australia	988,697	1,090,484
E-Jeelong Project, Australia	26,606	-
Alice Hill PGM & Diamond Project	538,197	377,405
Phillips Range Diamond Project, Australia	3,850,851	3,814,039
Rothsay Project, Australia	173,452	175,227
East Kimberley Project	1,489,457	481,851
Davyhurst Project	11,971	11,925
Prairie Downs, Australia	10,055	-
Water Tank, Australia	49,068	-
Mongers Lake, Australia	5,737	-
Hard Well, Australia	1,970	-
Tallering, Australia	3,609	-
Monti Cristo, Australia	633	-
	$ 7,158,502	$ 5,959,130

Magmatic Metals Ltd.

By acquiring 100% of the shares of Magmatic Metals Ltd.("MML") for 2,000,000 common shares of the company at a deemed price of $0.25 per shares, the Company acquired certain mineral properties in Baron Prospect, Alice Hill, East Kimberley and Davyhurst Project in Australia.

Ant Claims, Yukon Territory

The Company holds a 3% net smelter interest in 27 complete and 7 fractional mining claims located in the Mount Freegold area of the Big Creek District, Yukon Territory.

Baron Prospect, Australia

By an agreement with Resource Exploration NL of Perth, Western Australia ("ResX"), dated 30 September 1998, the Company acquired up to an eighty percent (80%) interest in and to certain mining and prospecting leases and licences on lands located in the Province of Murchison in Western Australia (the "Baron Prospect"). Consideration for this interest was the issuance to ResX a total of 3,000,000 common shares of the Company at a deemed price of $0.20 per share.

On June 8, 2001, the Company acquired the remaining 20% interest in the Baron Prospect and a 100% interest in the surrounding tenements as part of its acquisition of MML.

The project comprises 37 tenements covering 587 square kilometers and is located approximately 420 kilometres north of Perth. The project contains the Baron Rothschild gold resource, the Fields Find mine and numerous gold workings and occurrences. The Company has commenced the systematic assessment of the all previous exploration on the tenement area and it is anticipated that the first phase of drilling will commence early in 2003.

To accelerate exploration on the project, the Company has entered into joint venture negotiation with a major overseas company. An agreement is expected to be finalized early in 2003.

Eileen Bore Project, Australia

The 190 square kilometre tenement, E80/2716 is located 5 kilometres east of the Panton PGE deposit and 25 kilometres south of the Sally Malay nickel-copper project. The tenement covers over half of the large McIntosh layered intrusion and at least 8 smaller intrusions.

East Kimberley Regional Agreement, Australia

In August 2002, the Company signed a Heads of Agreement with Rio Tinto for a review and possible exploration of the East Kimberley Region. Under the terms of the agreement, the Company will conduct a 6 month review of geophysical, geochemical and specialist geological data on the East Kimberley. Rio Tinto will assist the Company in the review by contributing $75, 000. The Company has granted Rio Tinto the Option to acquire a 70% interest in prospective areas that have been identified, by sole funding joint venture exploration until the earlier of completion of a pre-feasibility study or total expenditure of $20 million.

The Company will be the manager of the joint venture for at least the first 12 months and has the ability to acquire 100% interest in the resource subject to certain conditions.

Alice Hill PGE & Diamond Project

The project comprises two exploration licences covering 297 square kilometres in the East Kimberly Region of Western Australia.

Phillips Range Diamond Project, Australia

The company owns 95% interest in the 925 square kilometre project area covering 25 tenements located in Kimberly region of Western Australia.

The company had signed a farm-in and joint venture agreement with BHP Minerals Ltd. (BHP) wherein BHP can earn a 40% equity in the joint venture by completing a pre-feasibility study within an agreed time frame. BHP can earn a 60% equity in the joint venture by completing a full feasibility study within an agreed time frame.

In August 2002, the company and BHP signed a farm-in agreement with Gravity Capital Limited (GCAP) on the Phillips Range Project. GCAP can earn a 60% equity in the project by sole funding a full feasibility study on the project within an agreed time frame.

Rothsay Project, Australia

The Company entered into a joint venture agreement with Central West Gold NL, in which it has the right to acquire 70% of the Rothsay Project located in Murchison gold field of Western Australia for total expenditure of Aus$350,000 over a period of three years of which Aus$50,000 has to be expended in the first year.

The Rothsay gold project is located 35 kilometres south west of the Fields Find-Baron tenements and consists of 2 granted mining leases covering 11 square kilometres.

In May 2002, the Company entered into a second agreement with Menzies Gold NL (Menzies), the operators of the nearby Gullewa gold mining operation. Under the terms of this agreement, Menzies has the right to earn 50% of the Company's equity by completing a Final Feasibility study by May 2003 and to commence production by November 2003. The Company's equity will be free-carried to the completion of the feasibility study and carried to the commencement of mining. The carried expenditure will be refunded from 70% of the Company's share of cash flow from the project.

(ALL FIGURES REPORTED IN CANADIAN $)

Water Tank Project, Australia

The Company entered into an Option to Purchase agreement with Darkdale Pty Ltd (Darkdale), a company associated with a director of the company, to acquire a 100% equity in the Water Tank tenements for 750,000 shares and 375,000 Options exercisable at $0.50. Darkdale is to retain a 1.25% gross royalty on all metals produced. The Company may withdraw at any time from the joint venture without penalty.

The Water Tank project comprises 3 granted prospecting licenses (350 hectares) located approximately 5 kilometres east of Norseman. The tenements cover the south east extension of the Princess Royal fault

Davyhurst Project, Western Australia

The Davyhurst prospect comprises one application for an exploration license (E16/175), which covers an area of approximately 23 square km in the Coolgardie Mineral Field in Western Australia, acquired on June 8, 2001 as a result of the MML acquisition, which is located 110 km north-west of Kalgoorlie and covers about 7 km in strike of the Zuleika Shear. On September 6, 2001, the Company announced that it entered a joint venture with Perilya Limited ("Perilya") covering the Davyhurst tenement. Under the terms of the joint venture, Perilya will have the right to sole funds Aus. $1.7 million expenditure over 4 years to earn a 65% interest in the tenement. Perilya is also committed to sole fund a minimum of Aus$150,000 within 12 months of signing the formal agreement.

Warriedar Project, Australia

The Warriedar project consists of 5 tenements comprising 197 square kilometres and is a joint venture between Thundelarra and Gindalbie Gold NL (Gindalbie). Under the terms of the joint venture, Gindalbie sole funds exploration on the tenements until a 50,000 oz gold resource is defined. Thundelarra will retain a 40% equity in any resource defined and has the option to participate in any mining operation on the joint venture area. Gindalbie are currently producing gold from their Minjar gold operation on tenements contiguous with the Warriedar project.

5. RELATED PARTY TRANSACTIONS

The company had the following transactions with related parties.

Legal fees	$	73,556	(2001 – 32,693)	To a director and an officer
Consulting fees		90,818	(2001 – 36,795)	To a director / officer and directors
Salaries		92,680	(2001 – 33,659)	To directors and officers
Office administration		9,070	(2001 – 66,965)	To a company with a common director

6. CAPITAL STOCK

Authorized:
100,000,000 common shares of no par value
100,000,000 Class A preferred share of $1 par value each
100,000,000 Class B preferred share of $5 par value each

(ALL FIGURES REPORTED IN CANADIAN $)

	2002		2001	
Issued and outstanding	Number	Amount	Number	Amount
Balance, beginning of year	40,380,539	$ 13,091,323	27,935,388	$ 9,785,857
Issued on exercise of options	1,290,000	315,000	930,000	184,400
Issued on exercise of warrants	990,000	326,700	-	-
Issued by private placement	1,206,500	675,640		
Issued for acquisition of subsidiary	-	-	2,000,000	500,000
Issued for mineral claims	80,000	23,250	-	-
Issued by share offering	-	-	9,515,151	2,621,066
	43,947,039	14,431,913	40,380,539	13,091,323
Less: share issue costs	-	171,773	-	147,259
Balance, end of year	43,947,039	$ 14,260,140	40,380,539	$ 12,944,064

During the year ended September 30, 2002, 1,290,000 stock options were exercised at various prices for cash proceeds of $315,000. Also during the period, 999,000 warrants at an exercise price of $0.33 per warrant were exercised for gross proceeds of $326,700. There were also two private placements completed for 1,206,500 at $0.56 per share for gross proceeds of $675,640.

Escrow shares

Held in escrow are 415,000 shares to be released only with the consent of the governing regulatory bodies. There were another 2,000,000 shares held in escrow. These were issued for the acquisition of the subsidiary. These were released from escrow by the Australian Stock Exchange on June 21, 2002.

Stock capital and share purchase warrants

The Company has issued the following stock options and share purchase warrants.

Number Of shares	Price per share	Expiry Date
181,250	Cdn$0.56/0.61	April 30, 2003/2004
422,000	Aus$0.68	April 28, 2004
1,975,000	Aus$0.50	February 28, 2007

(ALL FIGURES REPORTED IN CANADIAN $)

7. ACCUMULATED LOSSES

As of September 30, 2002, the Company has accumulated losses for income tax purposes of $1,852,949 which may be carried forward and used to reduce taxable income in future years. Under present tax legislation these losses will expire as follows:

2002	$ 108,982
2003	200,222
2004	126,993
2005	144,073
2006	275,517
2007	403,084
2008	594,078
	$ 1,852,949

8. SEGMENTED INFORMATION

As mentioned in note 4, the Company is involved in several exploration projects in Australia. As a result, the Company's primary operating location has moved from Canada to Australia. Details of assets, liabilities and operating results by geographical segment are as follows:

	Australia	Canada	Total
Mineral property costs	$ 7,150,303	$ 8,199	$ 7,158,502
Total assets	7,725,617	217,049	7,942,666
Accounts payable	67,727	2,000	69,727
Loss for the period	643,381	224,996	868,377

9. SUBSEQUENT EVENTS

In October 2002, the Company acquired a 48% interest in the Monti Cristo project comprising 4 prospecting licenses covering 521 hectares, located 30 kilometres southeast of Yalgoo.

The Company announced on January 2, 2003, that effective January 10, 2003 common shares of the Company will be delisted from the TSX Venture Exchange. The common shares will remain on Australian Stock Exchange (ASX).

THUNDELARRA EXPLORATION LTD.
QUARTERLY REPORT – FORM 51
SEPTEMBER 30, 2002

SCHEDULE A: FINANCIAL INFORMATION

See attached consolidated financial statements for the year ended September 30, 2002.

SCHEDULE B: SUPPLEMENTARY INFORMATION

1. Analysis of deferred costs during the year ended September 30, 2002:

	2002	2001
Ant Claims, Yukon Territory	$ 8,199	$ 8,199
Baron Prospect, Australia	988,697	1,090,484
E-Jeelong Project, Australia	26,606	-
Alice Hill PGM & Diamond Project	538,197	377,405
Phillips Range Diamond Project, Australia	3,850,851	3,814,039
Rothsay Project, Australia	173,452	175,227
East Kimberley Project	1,489,457	481,851
Davyhurst Project	11,971	11,925
Prairie Downs, Australia	10,055	-
Water Tank, Australia	49,068	-
Mongers Lake, Australia	5,737	-
Hard Well, Australia	1,970	-
Tallering, Australia	3,609	-
Monti Cristo, Australia	633	-
	$ 7,158,502	$ 5,959,130

2. Related Party Transactions: See Schedule A – Note 5.

3. Summary of securities issued and options granted during year ended September 30, 2002:

a) Securities Issued:

- 440,000 common shares at $0.20 per share for gross proceeds of $88,000 from the exercise of stock options.
- 400,000 common shares at $0.23 per share for gross proceeds of $92,000 from the exercise of stock options.
- 450,000 common shares at $0.30 per share for gross proceeds of $135,000 from the exercise of stock options.
- 990,000 common shares at $0.33 per share for gross proceeds of $326,700 from the exercise of warrants.
- 1,206,500 common shares at $0.56 per share for gross proceeds of $675,640 from private placements.
- 80,000 common shares at $0.29 per share for a deemed cost of $23,250 for the purchase of mineral claims.

b) Stock options granted:

- 1,975,000 options at Aus$0.50 per share, expiring February 28, 2007

SCHEDULE B: SUPPLEMENTARY INFORMATION (cont'd...)

4. As at September 30, 2002:

   a) Authorized capital: 300,000,000 shares divided into:

      i) 100,000,000 common shares without par value
      ii) 100,000,000 Class "A" preference shares with a par value of $1.00 each;
      iii) 100,000,000 Class "B" preference shares with a par value of $5.00 each;

   b) Issued and outstanding: 43,947,039 common shares without par value
   Share capital: $14,260,140

   c) Summary of outstanding options, warrants and other:
   - 1,975,000 options exercisable at Aus$0.50 until February 28, 2007
   - 181,250 warrants exercisable at Cdn$0.56 until April 30, 2003 and Cdn$0.61 until April 30, 2004
   - 422,000 warrants exercisable at Aus$.68 until April 28, 2004

   d) Shares held in escrow: 415,000
   Shares pooled: None

5. Directors and officers: Philip Crabb – Director, President and Chairman of the Board
   Jeremy Caddy – Director, CEO
   Frank DeMarte – Director, CFO
   Ross Glanville – Director
   Brian Richardson – Director, VP Exploration
   Rick Wayne Crabb – Director
   Malcolm Randall – Director
   Steven Sobolewski - Secretary

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

1. General Introduction

Thundelarra is primarily focused on mineral exploration in Western Australia. Shares of the Company were listed on the Australian Stock Exchange ("ASX") on March 16, 2001, and trading commenced on March 22, 2001. Subsequently to the year-ended September 30, 2002, the Company, having noticed for some time that its common shares trade infrequently on the TSX Venture Exchange and then only in small lots, and, a recent survey by its transfer agent having revealed that fewer than 10% of the total number of its issued and outstanding common shares are owned by Canadian residents, has decided that the cost of maintaining a listing on two exchanges, the TSX Venture Exchange and the Australian Stock Exchange (the "ASX"), is not a useful application of shareholder funds. Directors have decided to focus attention on the ASX listing and to seek the de-listing of the Company's common shares from the TSX Venture Exchange. A motion to continue the Company in Australia will be put before members to be voted on at the annual general/special meeting of shareholders to be held on March 28, 2003.

Thundelarra has a quality portfolio of exciting diamond, platinum group element ("PGE"), gold and base metal projects in the Kimberley and Southern Murchison regions of Western Australia.

It has important joint ventures with BHP-Billiton on the Phillips Range diamond project and Anglo-American - Falconbridge (Australia) Pty Limited on the Moola Bulla nickel/copper project. Significant nickel, copper, PGE and diamond discoveries were made on the company's projects either by the various joint venture partners or by Thundelarra. New gold projects were acquired and important joint venture agreements signed. Towards the end of 2002, gold exploration commenced on a number of the company's projects and this exploration will not only continue into 2003, but the tempo should increase.

Management of the Company believes that the Company possesses prospects for becoming a profitable enterprise, with the resultant return to the Company's investors.

2. Description of Business

The Company is engaged in the acquisition and exploration of resource properties.

3. Discussion of Operations and Financial Condition

Resource Properties Material to the Company

Information in this management discussion, insofar as it relates to resources' estimation and exploration activities, is based on information compiled by Mr Brian Richardson who is a director and officer of the Company and a Corporate Member of the Australian Institute of Mining and Metallurgy and who has more than ten years experience in the field of the activity being reported on. The following discussion accurately reflects the information compiled by this member. The Company's assets are discussed in the following paragraphs in some detail and the material terms of any acquisition or disposition made during the 12 months' period under review and subsequently are fully disclosed:

Phillips Range Diamond Project
Kimberley Region, Western Australia

(Thundelarra 95%, Ragged Range Mining Pty Ltd 5%)
(BHP-Billiton earning 60%)

The Phillips Range Diamond Project is located in the Kimberley Region of Western Australia approximately 2000 km north of Perth. The 925 square kilometre project area covers 25 tenements and contains the Aries Kimberlite, Australia's largest diamondiferous kimberlite.

In the 2001 field season, BHP Billiton (BHPB) flew a limited Falcon^{TM} airborne gravity gradiometer system survey over part of the project area. The follow-up drilling of 16 gravity targets resulted in the discovery of the non-magnetic Athena, Helena and Persephone satellite kimberlite pipes to the south of the main Aries lobe. Samples of drill core from these pipes and the Aries North and Central lobes were sent to Lakefield Research Mineralogical Services, Canada for diamond and indicator mineral recovery. The diamonds were then sent to Mineral Services International Ltd (MSI), South Africa for detailed assessment.

The newly discovered Athena and Persephone kimberlites both returned encouraging microdiamond counts. A summary of the MSI microdiamond results is tabled below:

Table 1

Microdiamond Extraction Results

Kimberlite	Sample	Submitted wt (kg)	Processed wt (kg)	Diamonds described*1	Diamonds described*2	Cts diamonds	Micro grade (cp100t)+
Aries North	GM0607	155	100	10	8	0.00071	0.71
Aries Central	GM0609	272	100	71	67	0.0058	5.8
Helena	GM0620	194	100	3	2	0.00036	0.36
Persephone	GM0626	349	200	173	171	0.0238	11.9
Athena	GM0627	272	200	277	277	0.0125	6.2

*1 – diamonds reported by Lakefield; *2 - diamonds received and described by MSI, + - carats/100 tonnes

The Persephone microdiamonds were of a high overall quality and 5 macrodiamonds weighing a total of 0.0109 carats were recovered. The Athena microdiamonds were also of a very high overall quality but only 1 macrodiamond was recovered (0.0014 carats). The other samples all returned good quality microdiamonds but no macrodiamonds were reported. Under the JORC Code for Reporting of Mineral Resources and Ore Reserves, a macrodiamond is defined as any stone which is larger than 0.4mm in size i.e. diamonds weighing more than 0.001 carats. Microdiamonds are defined as stones that pass through a screen with 0.4mm aperture.

Even though 3 new non-magnetic diamondiferous kimberlites were discovered by BHPB during its first field season, the company undertook no further exploration. In August 2002, BHPB and Thundelarra signed a farmin agreement with Gravity Capital Limited (GCap) on the Phillips Range project. GCap assumed the rights and obligations of BHPB; namely it can earn a 60% equity in the project by sole funding a full feasibility study on the project within an agreed time frame. BHPB will retain the right to displace GCap and resume its operator status in the Joint Venture by paying GCap five times its accumulated expenditure on the farmin area and granting GCap a 2% royalty on BHPB's share of production.

In addition to initiating a new and broader program of Falcon™ coverage over the Phillips Range area, GCap agreed to undertake a ground-based program of exploration and evaluation amounting to at least Aus$100,000. This program involved the drilling of 5 Falcon™ gravity anomalies that were delineated during the BHPB survey. Two holes drilled into the "Niobe" target intersected kimberlitic clays. A 52.7 kilogram sample of this material was submitted for indicator mineral and microdiamond analysis and a total of 11 microdiamonds and abundant chromites (greater than 10,000) have been recovered. A further 200 kilograms of the kimberlitic material has yet to be submitted for analysis.

The significance of this discovery lies in the indication that the material from the Niobe kimberlite, like the material from the Persephone pipe, is more strongly diamondiferous than that recovered from historic trial mining at the nearby Aries pipe. Furthermore, the Persephone and Niobe pipes lie along a fracture system that shows strong evidence of kimberlitic indicator minerals and contains a number of untested Falcon™ targets. These targets and the fracture system in general, clearly now constitute a focus for intense future on-ground exploration activity.

GCap are scheduled to commence the Falcon™ survey in April 2003, with ground assessment and drilling of priority gravity targets to follow shortly thereafter. This phase of exploration is expected to generate a number of new kimberlites that have eluded previous explorers.

East Kimberley PGE - Base Metal Projects
East Kimberley Region, Western Australia

(Thundelarra 100% except where otherwise stated)

Thundelarra's main exploration focus during the year was on its extensive tenement holding in the East Kimberley. Additional tenements were applied for increasing the landholding to approximately 3,000 square kilometres, an important Regional Agreement was signed with Rio Tinto and significant platinum group element, nickel and copper discoveries were made on the 100% owned Eileen Bore project.

Thundelarra initially went to the Proterozoic Halls Creek Orogen in search of large tonnage, low grade PGE deposits associated with the numerous mafic/ultramafic intrusions within the region. Significant PGE discoveries were made at Eileen Bore, Big Ben and on the Panton North tenement but the exploration focus for the company changed to orthomagmatic nickel-copper mineralisation towards the end of the field season. The results of these years' main exploration programs are detailed below:

Panton North Project (E80/2290)

(Thundelarra earning 50% - increased from 35%)

The northern extension of the Panton Sill, this tenement (Panton North Project E80/2290) contains ultramafic rocks with known PGE mineralised chromitite horizons (rock sample 1.29g/t PGE) and has the potential to host PGE mineralisation associated with basal sulphide accumulation.

During 2001, an orientation soil-sampling program returned encouraging results. A total of 174 soil samples were collected at 50m spacing on 3 lines approximately 400m apart. A MagLag and -2mm fraction sample was collected from each site and submitted for multi-element analysis. Rock samples were also collected from each site and these are currently being analysed. The soil anomaly defined by the 100 parts per billion (ppb) Pt + Pd contour outlines a zone over 800m in strike length and up to 350m wide. The maximum value from the MagLag sampling was 515 ppb Pt + Pd (715 ppb from (-2mm) with most values above 200ppb within the anomalous zone. The anomaly remains open to the north and south. Significantly there is a strong co-incident gold, nickel and copper anomaly associated with the PGE's. The maximum gold value was 856 ppb while nickel and copper peaked at 0.37% and 0.24% respectively. At this stage the anomaly appears to be related to sulphides rather than chromitites and is interpreted as the extension of the Platinum Australia Ltd's recently discovered Northern Anomaly. This zone, the "Northern Anomaly", is a large continuous zone of low-grade platinum-palladium-nickel-copper-cobalt mineralisation with a strike length of 2000m and a width of 200m within PLA's tenements.

The Company completed a soil-sampling program covering approximately 2 kilometres strike of the lower ultramafic sequence of the Panton Sill. The results of this sampling program defined a robust and extensive soil anomaly.

Work will continue on the Panton North tenement involving the integration of all historical and current exploration results. This work will help define zones that are prospective for higher grade PGE mineralisation within this extensive low-grade halo.

Eileen Bore (ELA 80/2716)

(Thundelarra 100%)

The 190 square kilometre tenement, E80/2716 is located 5 kilometres east of the Panton PGE deposit and 25 kilometres south of the Sally Malay nickel-copper project. The tenement covers over half of the large McIntosh layered intrusion and at least 8 smaller intrusions, all of which are prospective for nickel-copper and PGE mineralisation

In March 2002, Thundelarra commenced its field programs over the Eileen Bore tenement. These programs involved airborne and ground electromagnetic surveys, ground magnetic surveys, soil sampling, geological mapping and a reverse circulation drilling program. The drilling intersected significant PGE-copper-nickel mineralisation at the Eileen Bore prospect and nickel-copper sulphide mineralisation at the Copernicus prospect. In September, a follow-up reverse circulation and diamond-drilling program was completed over the Copernicus and nearby Salk prospects. This drilling resulted in the discovery of further significant shallow nickel-copper sulphide mineralisation and also the discovery of a 'blind' sulphide body of unknown vertical and lateral extent at the Salk North prospect. Significant results from the various drilling programs are presented in Table 2:

Table 2
Eileen Bore Project – Significant Drill Results

Prospect	Hole No.	East	North	From (m)	To (m)	Width (m)	3E+ (g/t)	Cu (%)	Ni (%)
Eileen Bore	EBRC002	389462	8039676	0	16	16	0.65	0.68	0.26
				44	60	16	0.78	0.76	0.34
	EBRC003	389440	8039698	32	44	12	0.96	0.76	0.26
				56	120 (boh)*	64	0.90	0.81	0.35
	EBRC010	389496	8039748	0	116	116	0.90	0.78	0.30
	EBRC011	389473	8039761	36	48	12	0.98	0.79	0.28
				56	60	4	0.94	0.63	0.27
				88	120 (boh)	32	1.00	0.80	0.32
Copernicus	CORC001	4014	5730	39	54	15	-	1.28	1.95
	CORC002	3985	5730	52	60	8	-	0.68	1.32
	CORC003	3949	5729	95.6	96.2	0.6	-	0.38	1.01
	CORC004	4043	5732	5	32	27	-	0.53	1.35
			Including	5	10	5	-	0.67	2.07
	CORC005	4047	5773	20	26	6	-	0.71	1.63
	CORCD008	4008	5774	44.6	53.2	8.6	-	0.81	1.91
			Including	51.0	52.2	1.2	-	0.82	6.05
Salk North	SARC007	3836	5166	54.0	55.0	1.0	-	0.60	1.90

+ 3E = platinum + palladium + gold
* boh = bottom of hole

The PGE, nickel and copper mineralisation at the Eileen Bore, Copernicus and Salk North prospects is associated with pyroxenite units within three small and separate layered mafic/ultramafic intrusions. The results from the first drilling campaign conducted on the Eileen Bore tenement are regarded as very encouraging and further geophysical surveys, mapping programs and drilling is planned for the next field season.

East Kimberley Regional Agreement

In August 2002, Thundelarra signed a Heads of Agreement with Rio Tinto for a review and possible exploration of the East Kimberley Region. Under the terms of the agreement, Thundelarra will conduct a 6 month review of geophysical, geochemical and specialist geological data on the East Kimberley to identify tenements that may be prospective for world class nickel-copper sulphide deposits. Rio Tinto will assist Thundelarra in the review by contributing $75, 000. Thundelarra has granted Rio Tinto the Option to acquire a 70% interest in prospective areas that have been identified, by sole funding joint venture exploration until the earlier of completion of a pre-feasibility study or total expenditure of $20 million.

Thundelarra will be the manager of the joint venture for at least the first 12 months. Importantly, if a Small Delineated Resource of an in-ground value of less than $1 billion is identified, Thundelarra has the right to acquire a 100% interest in the resource subject to certain conditions.

Thundelarra is undertaking one of the most comprehensive and systematic reviews of the Halls Creek Orogen. It is hoped this study will result in the discovery of a number of prospects with the potential to host world class nickel-copper ore bodies of the size and grade that will warrant Rio Tinto's continued involvement. The study may also discover a number of "small" resources that could be developed by Thundelarra in its own right or through joint venture. The Panton North and Eileen Bore tenements are excluded from the regional review.

Norton Project

(Thundelarra 100%)

The Norton Project includes 6 contiguous tenement applications adjacent to and along strike from the Sally Malay nickel-copper deposit. These tenements cover a number of intrusions of similar structural, stratigraphic and metallogenic setting to the Sally Malay deposit. In addition to the numerous nickel-copper occurrences within the project, previous explorers report several highly anomalous PGE assays. A stream sediment sample collected adjacent to the recently discovered Norton Intrusion assayed 1.5 g/t platinum. A source for this mineralisation has yet to be found.

Thundelarra is continuing with its systematic review of all past exploration over its extensive tenement holding in the East Kimberley. Approximately 30,000 stream, soil and rock sample assays are now on a very detailed and comprehensive database that is now being used to generate new PGE and nickel-copper prospects within the current tenement holdings.

Big Ben Project (EL80/2569)

(Thundelarra 100%)

The Big Ben body, the faulted western extension of the Panton Sill which hosts PAL's 4 million ounce PGE resource, contains a thick sequence of ultramafic cumulates and chromitite layers and comprises a lower ultramafic zone, approximately 1500m thick of dunite, lherzolite and tremolite and an overlying mafic zone approximately 500m thick of mottled anorthosite, gabbro, gabbronorite and norite. Chromitite layers occur in both the lower and upper parts of the ultramafic zone. The highest assay from 18 rock samples collected during the period 1994 -1995 was 1.61 g/t combined platinum and palladium with the palladium values generally higher than the platinum. Recent work by The Company has confirmed the anomalous nature of the chromitites and associated ultramafic rocks.

During 2001, the Company completed a field reconnaissance survey of the Big Ben intrusion that exposed chromitite seams up to 2m wide and of a similar character to the seams on the nearby Panton Sill. The detailed soil-sampling program yielded a total of 632 soil samples (-2mm) on a 200m by 50m grid pattern and submitted for multi-element analysis. Results have defined a number of discrete zones of anomalism spanning the length of the intrusion. The best of these anomalies is located in the upper ultramafic sequence and spans in excess of 1.6km in strike, 550m in width and peaks at 455ppb platinum and palladium. Significantly most of the anomalous PGE results also have anomalous chrome values suggesting that the anomalies are sourced from nearby PGE bearing chromitite horizons, the same rock which host the Panton Sill resource. An infill soil sampling program and systematic rock chip sampling of all chromitite horizons was recently completed and results are due shortly.

Southern Murchison PGE and Gold Projects
Southern Murchison Province, Western Australia

Thundelarra is a large tenement holder in the highly prospective Southern Murchison Region of Western Australia. The company has 4 separate projects of some 800 square kilometres containing the Rothsay and Baron Rothschild gold resources, numerous gold prospects and the recently discovered PGE occurrences at Fields Find and Dauphin.

Fields Find-Baron Project

(Thundelarra 100%)

This project comprises 37 tenements covering 587 square kilometres and is located approximately 420 kilometres north of Perth. The project contains the Baron Rothschild gold resource (46,000 ozs Indicated/Inferred), the Fields Find mine (39,500 ozs gold past production) and numerous gold workings and occurrences. Thundelarra has commenced the systematic assessment of all the previous exploration on the tenement area and it is anticipated that the first phase of drilling will commence early in 2003. The Fields Find-Baron project has a number of advanced gold prospects with significant drill intercepts including 7 metres @ 13.5 g/t gold at the Raven prospect.

The Fields Find-Baron project not only has good potential to host gold deposits but it also has significant PGE potential. In 1998 and 1999 PGE mineralisation was first discovered at the Breakaway prospect and subsequently at the Dauphin prospect, some 25 kilometres to the east. In 2002, Thundelarra made a significant breakthrough in the understanding of the style and controls of PGE mineralisation within the project area. Systematic mapping, geochemical sampling and limited drilling defined the mineralised host rock for the PGE mineralisation. Drilling at the Dauphin prospect intersected a broad zone of mineralisation within gabbro at the contact with underlying pyroxenite (BNRC006 16 metres @ 0.58g/t PGE+gold). Subsequent detailed mapping traced this prospective contact zone for over 30 kilometres within the project area and importantly linked the mineralisation found at Dauphin with the original discovery at Breakaway.

To accelerate exploration on the project, Thundelarra has entered into joint venture negotiation with a major overseas company. An agreement is expected to be finalised early in 2003.

Rothsay Project

(Thundelarra earning 70%)

The Rothsay gold project is located 35 kilometres south west of the Fields Find-Baron tenements and consists of 2 granted mining leases covering 11 square kilometres. The leases contain the Rothsay high-grade gold resource associated with narrow quartz veins.

A number of these veins were mined up to 1994 and have produced approximately 56,000 ozs of gold from open-cut and underground operations. The project has an Indicated/Inferred Resource of 69,000 ozs of gold at an estimated grade of 11g/t using a 7 g/t cut-off and a 1.2 metre minimum mining width.

In March 2000, Thundelarra entered into an agreement with the tenement holders, Central West Gold NL, to earn 70% equity in the project by the expenditure of $350,000 over a 3 years period. In May 2002, Thundelarra entered into a second agreement with Menzies Gold NL (Menzies), the operators of the nearby Gullewa gold mining operation. Under the terms of this agreement, Menzies has the right to earn 50% of Thundelarra's equity by completing a Final Feasibility study by May 2003 and to commence production by November 2003. Thundelarra's equity will be free-carried to the completion of the feasibility study and carried to the commencement of mining. The carried expenditure will be refunded from 70% of Thundelarra's share of cash flow from the project.

In September 2002, Menzies announced the successful completion of the first phase of metallurgical/resource drilling on the Rothsay project. A total of 939 metres of reverse circulation pre-collar drilling followed by 317.39 metres of HQ diamond tails was completed in 4 angled holes, including 3 wedged holes and one vertical hole.

From the above intersections, two representative metallurgical samples were prepared and submitted to Perth based metallurgical laboratory, Oretest. The samples were tested for traditional gravity/leach amenability as well as conventional flotation. Results from the test work show that the deeper Rothsay ore is amenable to conventional processing with low reagent consumption, which the current Menzies plant is capable of treating. Originally it was assumed that the ore would require flotation. The feasibility study is continuing and a final report is scheduled for completion early in 2003.

Monti Cristo Project

(Thundelarra 50%)

In October 2002, Thundelarra acquired a 50% interest in the Monti Cristo project comprising 4 prospecting licenses covering 521 hectares, located 30 kilometres southeast of Yalgoo. The tenements cover approximately 3 kilometres strike of a northwest trending mineralised structure marked by a number of small gold workings and shafts. Recent gold exploration on the project is limited and consisted of reverse circulation drilling beneath a number of shallow workings. This drilling returned a number of significant results including:

12 metres @ 4.6 g/t gold from 76 metres (includes 2 metres @ 15.1 g/t gold)
5 metres @ 5.8 g/t gold from 59 metres (includes 2 metres @ 36.3 g/t gold)
2 metres @ 3.8 g/t gold from 79 metres

Thundelarra has commenced the initial field programs across the project with drilling planned early in 2003.

Warriedar Project

(Thundelarra 100% - Gindalbie earning 60%)

The Warriedar project consists of 5 tenements comprising 197 square kilometres and is a joint venture between Thundelarra and Gindalbie Gold NL (Gindalbie).

Under the terms of the joint venture, Gindalbie sole funds exploration on the tenements until a 50,000 oz gold resource is defined. Thundelarra will retain 40% percent equity in any resource defined and has the option to participate in any mining operation on the joint venture area. Gindalbie are currently producing gold from its Minjar gold operation on tenements contiguous with the Warriedar project.

Gindalbie has identified a number of priority targets within the Warriedar tenements and exploration is scheduled to commence January 2003 after the granting of the main tenement. The Warriedar project has the potential to generate early cash flow for the company, as Gindalbie increases its exploration focus in the region.

EASTERN GOLDFIELDS PROJECTS

Water Tank Project

(Thundelarra earning 100%)

Thundelarra has entered into an Option to Purchase agreement with Darkdale Pty Ltd (Darkdale) to acquire 100% equity in the Water Tank tenements for 750,000 shares and 375,000 Options exercisable at $0.50. Darkdale is to retain a 1.25% gross royalty on all metals produced. Thundelarra may withdraw at any time from the joint venture without penalty.

The Water Tank project comprises 3 granted prospecting licenses (350 hectares) located approximately 5 kilometres east of Norseman. The tenements cover the south east extension of the Princess Royal fault, which is interpreted to have been important in localising the gold mineralisation at the North Royal mines (past production >2 million ozs gold). A number of other important structures occur within the project and the systematic assessment of these structures has commenced.

The initial phase of exploration involved 2 vertical aircore drilling programs over the southern part of the project. This drilling has defined a number of gold mineralised structures and a phase of angled drilling is scheduled to commence early in 2003.

Davyhurst Project

(Thundelarra 100% - Perilya earning 65%)

The Davyhurst tenement, E16/175, is located approximately 110 kilometres north-west of Kalgoorlie and covers 7 kilometres strike of the prospective Zulieka Shear. In September 2001, Thundelarra entered into an agreement with Perilya Limited (Perilya) covering this tenement. Under the terms of the joint venture, Perilya has the right to sole fund $1.7 million expenditure over 4 years to earn 65% interest in the tenement. Perilya is also committed to sole fund a minimum of $150,000 within 12 months of signing the formal agreement.

Perilya has commenced a RAB drilling program to test a number of shears prospective for gold within the project area.

Canadian Gold Royalty Project
Whitehorse Mining District, Yukon Territory

ANT Mining Claims

The Company retains a 3% net smelter return in and to 27 mineral claims and 7 fractional claims located in the Whitehorse Mining District, Yukon Territory which were sold by it to FM Resources Ltd. ("FM"), formerly Redell Mining Corp., pursuant to the terms of an agreement dated August 2, 1994, as amended September 15, 1994, November 30, 1994 and May 1, 1995. The Company has granted FM the right to purchase 2% of its 3% net smelter return for the sum of $2,000,000. To date FM Resources has not exercised this option.

Use of Proceeds

The Company incurred a net loss for the three month period ended September 30, 2002 of $185,786 (September 30, 2001 - $109,971) and a net loss for the year ended September 30, 200 of $868,377 (September 30, 2001 - $594,078). The loss for the year ended September 30, 2002 are comprised mostly of the following costs:

Professional fees of $154,490 (September 30, 2001 - $200,890) were paid or accrued of which $73,556 (September 30, 2001 - $32,693) was paid or accrued to a director and an officer for legal fees and $75,036 (September 30, 2001 - $36,795) was paid to two directors for consulting fees.

Office costs of $180,286 (September 30, 2001 - $133,766) were paid or accrued and includes courier, printing, office rent, telephone, insurance and other general office costs. Office administration costs of $9,070 (September 30, 2001 - $66,965) were paid or accrued to a company with a common director during the year

Regulatory and trust company fees of $52,810 (September 30, 2001 - $61,081) were paid or accrued for costs incurred with the TSX Venture Exchange, Australian Stock Exchange and to the Company's transfer agent.

Shareholder and investor relations costs of $108,306 (September 30, 2001 - $23,037) were paid or accrued which related to the preparation and compiling of investor kits, dissemination of news releases to shareholders and other investor communications during the year.

Salaries to staff in Australia of $189,941 (September 30, 2001 - $81,531) were paid or accrued of which $92,680 (September 30, 2001 - $33,659) was paid to directors and officers.

<u>Transactions with Related Parties for the year ended September 30, 2002</u>

Legal fees	$	73,556	(2001 – $32,693)	To a director and an officer
Consulting fees		90,818	(2001 – $36,795)	To a director / officer and directors
Salaries		92,680	(2001 – $33,659)	To directors and officers
Office administration		9,070	(2001 - $66,965)	To a company with a common director

<u>Management</u>

The Company's directors and officers for the year were:

PG Crabb	President and Chairman of the Board
F DeMarte	CFO and Executive Director
B Richardson	VP Exploration
JC Caddy	CEO
R Glanville	
R Crabb	
M Randall	
S Sobolewski	Secretary

The Company's audit committee was comprised of the following directors: Messrs. Frank DeMarte, Ross Glanville and Rick Crabb.

Shares Issued and Outstanding

As of September 30, 2002, the Company has 43,947,039 common shares issued and outstanding as fully paid and non-assessable. No preference shares are issued or outstanding as of the date hereof.

On April 16, 2002, non-brokered private placements made in Australia and Canada, closed. In Australia 844,000 units, each unit being comprised of one ordinary share and one half of one share purchase option, were placed to raise a total of Aus$573,920. In Canada 362,500 units, each unit being comprised of one common share and one half of one share purchase warrant, were placed to raise a total of Cdn$203,000 (Aus$253,750).

During the period ending June 30, 2002, Thundelarra entered into an Option to Purchase agreement with Darkdale Pty Ltd (Darkdale) to acquire a 100% equity in the Water Tank tenements for 750,000 shares and 375,000 Options exercisable at Aus$0.50. Darkdale is to retain a 1.25% gross royalty on all metals produced. Thundelarra may withdraw at any time from the joint venture without penalty.

During the twelve months period ended September 30, 2002, the Company's directors and officers exercised their right to acquire shares of the Company in accordance with incentive stock option agreements. Collectively, the directors and officers acquired a total of 1,290,000 common shares of the Company for cash proceeds of $315,000. There were also 990,000 warrants exercised into 990,000 common shares of the Company for cash proceeds of $326,700.

Investor Relations

As of the date hereof the Company has no investor relations contracts.

Special Resolutions Passed by the Company

There were no Special Resolutions passed by the Company during the 12 months ending September 30, 2002.

4. Subsequent Events

On December 24, 2002, 3,154,883 common shares of the Company were issued at a price of Au$0.23 ($0.20 Cdn) to Australian subscribers resident in that jurisdiction, pursuant to a share purchase plan.

The Company, having noticed for some time that its common shares trade infrequently on the TSX Venture Exchange and then only in small lots, and, a recent survey by its transfer agent having revealed that fewer than 10% of the total number of its issued and outstanding common shares are owned by Canadian residents, has decided that the cost of maintaining a listing on two exchanges, the TSX Venture Exchange and the Australian Stock Exchange (the "ASX"), is not a useful application of shareholder funds.

Subsequently to the year-end, September 30, 2002, directors decided to focus attention on the ASX listing and to seek the de-listing of the Company's common shares from the TSX Venture Exchange. The Company's shares will continue to be traded on the ASX.

The TSX Venture Exchange by its bulletin of December 31, 2002, has confirmed that the Company's application to de-list its shares has been accepted and will be made effective as of January 10, 2003.

Shareholders resident in Canada are encouraged to contact their financial advisors for information as to how they might continue to trade in the shares of the Company on the ASX.

5. Financings, Principal Purposes and Milestones

The Company undertook two financings during the year under review and prior to the date of this report.

Non-brokered private placements made in Australia and Canada closed on April 16, 2002. In Australia 844,000 units, each unit being comprised of one ordinary share and one half of one share purchase option, were placed to raise a total of Aus$573,920. In Canada 362,500 units, each unit being comprised of one common share and one half of one share purchase warrant, were placed to raise a total of $203,000 (Aus$253,750).

The proceeds of this private placement to Canadian subscribers were used in the Company's further exploration, including drilling, of the its wholly owned Eileen Bore prospect in the East Kimberley region of Western Australia as follows:

To expenses of the offering and general unallocated working capital	$	3,000
To exploration, including drilling, of the Company's projects in the East Kimberley region of Western Australia		200,000
Total cash proceeds of the offering	$	203,000

On December 24, 2002, 3,154,883 common shares of the Company were issued at a price of Aus$0.23 ($0.20 Cdn) realising a total of Aus$725,623 ($631,000 Cdn) to Australian subscribers resident in that jurisdiction, pursuant to a non-brokered share purchase plan.

The proceeds of this financing are to be used in the Company's further exploration of its projects and general unallocated working capital.

6. Liquidity and Solvency

The Company's financial statements are prepared on a going concern basis which assumes that the Company will be able to realise assets and discharge liabilities in the normal course of business.

As at September 30, 2002, the Company had working capital of $587,051 (September 30, 2001 - $1,340,873) and an accumulated deficit of $6,391,168 (September 30, 2001 - $5,522,791).

The Company's ability to continue as a going concern depends on it ability to raise additional financing successfully. If the Company is unable to obtain additional financing it may be forced to realise its assets at amounts significantly lower than the current carrying value.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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Perth, Western Australia

Jeremy Caddy, CEO,
Thundelarra Exploration Ltd
Vancouver, Canada

604 682 6718

ADDITIONAL SHAREHOLDER INFORMATION

Pursuant to the Listing Requirements of the Australian Stock Exchange Limited as at 21 January 2003.

(a) Distribution Schedule of Holdings

	Number of Shareholders
1- 1,000	60
1,001 – 5,000	370
5,001 – 10,000	284
10,001 – 100,000	478
100,001 – over	63
Total	

Number of holders holding less than a marketable parcel. 131

(b) Statement of Twenty Largest Shareholders

Name of Shareholder	Number of Shares	Percentage of Total Issued Capital
Ragged Range Mining Pty Ltd	10,355,194	21.98%
CDS & Co	4,377,088	9.29%
Ioma Pty Ltd	1,832,841	3.89%
Mr Brian Richardson	1131,739	2.40%
Mr Frank DeMarte	1,127,000	2.39%
Mr Simon Attwell	681,739	1.45%
Mr Rick Wayne Crabb & Mrs Carol Jean Crabb	600,000	1.27%
National Nominees Limited	548,666	1.16%
Mrs Olive Dunstan	411,739	0.87%
Mr John Falconer	410,739	0.85%
Westessa Holdings Pty Ltd	398,695	0.85%
J W Crabb & Co	385,000	0.82%
Mr Philip Crabb	330,000	0.70%
Mozambique Investments Limited	330,000	0.70%
Michael Angelakis Nominees	307,139	0.65%
Renique Holdings Pty Ltd	263,000	0.56%
Boom Securities (HK) Ltd	239,000	0.51%
Graham Properties Pty Ltd	222,009	0.47%
Quilpie Nominees Pty Ltd	200,000	0.42%
Kimely Pty Ltd	198,239	0.42%
TOTAL	24,340,827	51.65%

(c) Substantial Shareholders

Substantial shareholders (holding not less than 5%) as shown in the Company's Register of Substantial Shareholders.

	Number of Shares	Percentage Held
Ragged Range Mining Pty Ltd and Associates	14,587,917	30.97%

(d) Voting Rights Attached to Shares and CDI's

There is only one class of shares on issue on the Company being fully paid common (ordinary) shares.

The rights attaching to shares are:

(a) set out in the By-Laws of the Company; and

(b) in certain circumstances, regulated by the Business Corporations Act and Regulations, the Canadian Securities Administrator National Policy Statement No. 41 entitled "Shareholder Communication, the Listing Rules, the SCH Business Rules and general law.

The following is a summary of the principal rights of the holders of Shares and CDI's in the Company.

Voting

Subject to the provisions of the Business Corporations Act as to authorized representative of any body corporate, at any meeting of shareholders in respect of which the Company has prepared a list of shareholders entitled to notice of the meeting, every person who is named in such list shall be entitled to vote the shares shown on the list opposite his or her name except, where the Company has fixed a record date in respect of such meeting, to the extent that such person has transferred any of his or her shares after the record date and the transferee, upon producing properly endorsed certificates evidencing such shares or otherwise establishing that he or she owns that share, demands not later than 10 days before the meeting that his or her name be included in such list, in which event the transferee alone shall be entitled to vote the transferred shares at the meeting. Where no record date has been fixed and no notice of meeting given, or in the absence of a list prepared of the shareholders entitled to notice in respect of a meeting of shareholders, every person shall be entitled to vote at the meeting who at the time is entered into the securities register as the holder of one or more shares carrying the right to vote at such meeting. CDI holders cannot vote personally at a meeting of shareholders. A person holding CDI's must convert them into Shares in sufficient time before the meeting to enable them to vote personally.

Every shareholder entitled to vote at a meeting of shareholder may appoint a proxy holder, or one or more alternate proxy holders, who need not be shareholders, to attend and act at the meeting and to the manner or extent authorized and with the authority conferred by the proxy. A CDI holder can direct CHESS Depositary Nominees Pty Ltd to cast proxy votes in accordance with the written directions of the CDI holder.

Subject to provisions of the Business Corporations Act. Any question at a meeting of shareholders shall be decided by show of hands unless a ballot is required or demanded. Upon a show of hands, every person who is present is entitled to vote shall have one vote.

A ballot may be demanded by any shareholder or proxy holder entitled to vote at the meeting. A ballot so required or demanded shall be taken in such manner as the Chairman shall direct. No ballot may be demanded on the election of a Chairman.

(e) Stock Exchanges

The Company's shares are quoted on the following Stock Exchanges;

Stock Exchange	Code
Australian Stock Exchange Limited	THX

(f) On Market Buy Back

There is no current on market buy back.

(g) Corporate Governance Statement

Corporate Governance

The board is responsible for the overall Corporate Governance of the Company including the strategic direction, establishing goals for management and monitoring the achievement of these goals. The board has also established a framework for the management of the Company including setting levels of remuneration for Directors, Managers and senior personnel, and overall framework of internal control and the establishment of appropriate ethical standards.

The Board regularly reviews operational and financial performance and reviews and approves detailed budgets and investment opportunities. Being a small company at present, the Board works closely with executive management to identify and manage operational, financial and legislative risk. Corporate Governance policies and procedures have been in place since the incorporation.

Audit Committee

Pursuant to the Business Corporations Act (Yukon) the Company is required to elect an Audit Committee comprised of not fewer than three directors, of whom a majority shall not be officers or employees of the Company or an affiliate of the Company. The Audit Committee's functions are to monitor overall adherence to Company policy, the effectiveness of the Company's internal audit personnel and their audit activities and to meet with the Company's accountants and auditors on financial and audit matters, as appropriate.

Composition of the Board

The composition of the Board is determined using the following principles:

- The Board should comprise of at least four Directors. This number may be increased where it is felt that additional expertise is required in specific areas, or when an outstanding candidate materialises.

- The Board should comprise Directors with a broad range of expertise.

When a vacancy exists, through whatever cause, or where it is considered that the Board would benefit from the services of a new director with particular skills, the Board selects a candidate or panel of candidates with the appropriate expertise and experience. The Board then appoints the most suitable candidate who must stand for election at the next general meeting of shareholders. The Company does not have a formal Nomination Committee.

Independent Professional Advice

Each director has the right to seek independent professional advice at the Company's expense. However, prior approval of the Chairman is required, which may not be unreasonably withheld.

Ethical Standards

All Directors, managers and employees are to act with the ut most integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

(h) Restricted Securities

There are 40,000 ordinary shares on issue subject to voluntary escrow. The escrow period will expire on 19 April 2003.

(i) Interest in Mining Tenements Held

Tenement Number and Type	Tenement Name	Holder/ Applicant	Shares Held	Status
CENTRAL KIMBERLEY				
E80/1499	Phillips Range	RRM THX	5/100ths 95/100ths	Granted 17/02/92
E80/2306	Phillips Range	RRM THX	5/100ths 95/100ths	Granted 13/11/97
E80/2307	Phillips Range	RRM THX	5/100ths 95/100ths	Granted 13/11/97
E80/2486	Phillips Range	RRM THX	5/100ths 95/100ths	Granted 06/04/00
E80/2462	Phillips Range	RRM THX	55/100ths 45/100ths	Pending (applied 10/03/99)
E80/2510	Phillips Range	RRM THX	56/100ths 44/100ths	Pending (applied 03/09/99)
E80/2561	Phillips Range	RRM THX	56/100ths 44/100ths	Pending (applied 22/00/00)
E80/2630	Phillips Range	RRM THX	5/100ths 95/100ths	Pending (applied 25/08/00)
E80/2650	Phillips Range	RRM THX	5/100ths 95/100ths	Pending (applied 27/10/00)
E80/2652	Phillips Range	RRM THX	5/100ths 95/100ths	Pending (applied 08/11/00)
E80/2684	Phillips Range	RRM THX	5/100ths 95/100ths	Pending (applied 22/12/00)
ELA80/2699	Phillips Range	RRM THX	5/100ths 95/100ths	Pending (applied 18/01/01)
M80/329	Phillips Range	RRM THX	5/100ths 95/100ths	Granted 26/07/91
M80/331	Phillips Range	RRM THX	5/100ths 95/100ths	Granted 21/12/91
ML80/489	Phillips Range	RRM THX	5/100ths 95/100ths	Granted 27/07/98
P80/1294	Phillips Range	RRM THX	5/100ths 95/100ths	Granted 28/07/94

P80/1295	Phillips Range	RRM THX	5/100ths 95/100ths	Granted 28/07/94
PLA80/1375	Phillips Range	RRM THX	5/100ths 95/100ths	Granted 20/11/02
P80/1376	Phillips Range	RRM THX	5/100ths 95/100ths	Granted 20/11/02
P80/1377	Phillips Range	RRM THX	5/100ths 95/100ths	Granted 20/11/02
P80/1378	Phillips Range	RRM THX	5/100ths 95/100ths	Granted 20/11/02
P80/1379	Phillips Range	RRM THX	5/100ths 95/100ths	Granted 20/11/02
P80/1380	Phillips Range	RRM THX	5/100ths 95/100ths	Granted 20/11/02
P80/1500	Phillips Range	RRM THX	56/100ths 44/100ths	Granted 4/12/02
P80/1501	Phillips Range	RRM THX	56/100ths 44/100ths	Granted 4/12/02
EAST KIMBERLEY				
E80/2569	Big Ben	THX	100/100ths	Granted 23/08/01
E80/2578	Alice Hill North	THX	100/100ths	Granted 23/08/01
P80/1493	Alice Hill North	THX	100/100ths	Pending (applied 13/02/02)
P80/1494	Billymac Yard	THX	100/100ths	Pending (applied 13/02/02)
P80/1497	Alice Hill North	THX	100/100ths	Pending (applied 13/02/02)
P80/1498	Alice Hill North	THX	100/100ths	Pending (applied 13/02/02)
E80/2615	Moola Boola	Attgold	100/100ths	Granted 23/01/01
E80/2572	Billymac Yard	Attgold	100/100ths	Granted 23/07/02
E80/2601	Lamboo	Attgold	100/100ths	Granted 29/07/02
E80/2607	Corkwood South	Attgold	100/100ths	Granted 23/05/02
PLA80/1502	Corkwood South	THX	100/100ths	Pending (applied 28/02/02)
E80/2634	Nine Mile	THX	100/100ths	Granted 02/10/01
P80/1503	Nine Mile	THX	100/100ths	Granted 24/12/02
P80/1504	Nine Mile	THX	100/100ths	Granted 24/12/02
E80/2635	Corkwood North	Attgold	100/100ths	Granted 23/05/02
E80/2290	Panton North	THX KMN	35/100ths 65/100ths	Granted 24/06/98
PLA80/1495	Panton North	THX KMN	35/100ths 65/100ths	Pending (applied 13/02/02)
E80/2686	Willagee	Attgold	100/100ths	Pending (applied 02/01/01)

E80/2747	Robin Well South	THX	100/100ths	Granted 21/05/02
E80/2751	Turkey Creek	THX	100/100ths	Granted 03/09/02
E80/2750	Bow River East	THX	100/100ths	Granted 03/09/02
E80/2749	Sally Downs Well	THX	100/100ths	Pending (applied 03/04/01)
E80/2748	Dave Hill	THX	100/100ths	Pending (applied 03/04/01)
E80/2746	Nortons	THX	100/100ths	Granted 18/06/02
E80/2716	Eileen Bore	THX	100/100ths	Granted 08/02/02
P80/1423	Eileen Bore	THX	100/100ths	Granted 20/02/02
P80/1424	Eileen Bore	THX	100/100ths	Granted 20/02/02
P80/1425	Eileen Bore	THX	100/100ths	Granted 20/02/02
P80/1426	Eileen Bore	THX	100/100ths	Granted 20/02/02
P80/1427	Eileen Bore	THX	100/100ths	Granted 20/02/02
ELA80/2720	Panton South	THX	100/100ths	Pending (applied 15/03/01)
PLA80/1496	Panton South	THX	100/100ths	Pending (applied 13/02/02)
ELA/2805	Panton West	THX	100/100ths	Pending (applied 12/09/01)
ELA80/2817	Mable Downs	THX	100/100ths	Pending (applied 13/11/01)
E80/2824	Mable West	THX	100/100ths	Granted 03/09/02
E80/2827	Bow River West	THX	100/100ths	Granted 07/10/02
E80/2835	McKenzie Spring	THX	100/100ths	Granted 07/10/02
ELA80/2836	Frog Hollow	THX	100/100ths	Pending (applied 24/01/02)
ELA80/2837	Panton River	THX	100/100ths	Pending (applied 29/01/02)
ELA80/2838	Edle Creek	THX	100/100ths	Pending (applied 29/01/02)
E80/2865	Fletcher Creek	THX	100/100ths	Granted 07/10/02
ELA80/2866	Warmun	THX	100/100ths	Pending (applied 07/02/02)
ELA80/2867	Warmun	THX	100/100ths	Pending (applied 07/02/02)
ELA80/2878	Fish Hole	THX	100/100ths	Pending (applied 07/02/02)
SOUTHERN MURCHISON				
E59/807	Jarabee Well	THX	100/100ths	Granted 13/10/97

E59/835	Jarabee Well	THX	100/100ths	Granted 14/05/98
M59/63	Baron	THX FXL	100/100ths	Granted 13/10/87
ELA59/1108	Baron	THX	100/100ths	Pending (applied 23/04/02)
ELA59/1620	Baron	THX	100/100ths	Pending (applied 23/04/02)
ELA59/1621	Baron	THX	100/100ths	Pending (applied 23/04/02)
ELA59/1622	Baron	THX	100/100ths	Pending (applied 23/04/02)
ELA59/1623	Baron	THX	100/100ths	Pending (applied 23/04/02)
ELA59/1624	Baron	THX	100/100ths	Pending (applied 23/04/02)
P59/1369	Pinyalling	THX	100/100ths	Granted 21/02/95
P59/1370	Pinyalling	THX	100/100ths	Granted 21/02/95
P59/1371	Pinyalling	THX	100/100ths	Granted 21/02/95
P59/1372	Pinyalling	THX	100/100ths	Granted 21/02/95
P59/1373	Pinyalling	THX	100/100ths	Granted 21/02/95
M59/518	Pinyalling	THX	100/100ths	Pending (applied 17/02/99)
L59/24	Rothsay	CWG	100/100ths	Granted 22/08/89
M59/39	Rothsay	CWG	100/100ths	Granted 04/12/86
M59/40	Rothsay	CWG	100/100ths	Granted 04/12/86
E59/631	Fields Find	THX	100/100ths	Granted 29/08/95
E59/633	Fields Find	THX	100/100ths	Granted 19/10/95
E59/846	Fields Find	THX	100/100ths	Granted 01/07/99
E59/848	Fields Find	THX	100/100ths	Granted 01/07/99
E59/894	Fields Find	THX	100/100ths	Pending (applied 21/09/98)
P59/1186	Fields Find	THX	100/100ths	Granted 23/03/93
P59/1375	Fields Find	THX	100/100ths	Granted 21/02/95
P59/1377	Fields Find	THX	100/100ths	Granted 21/02/95
P59/1378	Fields Find	THX	100/100ths	Granted 21/02/95
P59/1379	Fields Find	THX	100/100ths	Granted 21/02/95

P59/1380	Fields Find	THX	100/100ths	Granted 21/02/95
P59/1381	Fields Find	THX	100/100ths	Granted 21/02/95
P59/1382	Fields Find	THX	100/100ths	Granted 21/02/95
P59/1383	Fields Find	THX	100/100ths	Granted 21/02/95
P59/1384	Fields Find	THX	100/100ths	Granted 21/02/95
MLA59/456	Fields Find	THX	100/100ths	Pending (marked out 20/03/97)
MLA59/519	Fields Find	THX	100/100ths	Pending (marked out 17/02/99)
MLA59/520	Fields Find	THX	100/100ths	Pending (marked out 17/02/99)
E59/723	Warriedar	THX	100/100ths	Granted 16/01/97
E59/849	Warriedar	THX	100/100ths	Granted 21/01/00
E59/850	Warriedar	THX	100/100ths	Granted 15/12/99
E59/887	Warriedar	MWE	100/100ths	Pending (applied 28/07/98)
E59/888	Warriedar	MWE	100/100ths	Pending (applied 28/07/98)
E59/935	Warriedar	MWE	100/100ths	Pending (applied 28/01/99)
EASTERN GOLDFIELDS				
E16/175	Davyhurst	THX	100/100ths	Granted 16/01/02
M63/333	Watertank	DAR	100/100ths	Pending (applied 28/11/95)
M63/713	Watertank	DAR	100/100ths	Granted 03/12/91
M63/714	Watertank	DAR	100/100ths	Granted 03/12/91
M63/715	Watertank	DAR	100/100ths	Granted 03/12/91
OTHER				
ELA52/1604	Prairie Downs	THX	100/100ths	Pending (applied 08/01/02)
ELA59/1117	Tallering	THX	100/100ths	Pending (applied 30/07/02)
P59/1545	Monti Cristo	THX BYR	48/100ths 48/100ths	Granted 09/08/02
P59/1546	Monti Cristo	THX BYR	48/100ths 48/100ths	Granted 09/08/02
P59/1547	Monti Cristo	THX BYR	48/100ths 48/100ths	Granted 09/08/02
P59/1548	Monti Cristo	THX BYR	48/100ths 48/100ths	Granted 09/08/02
ELA59/1125	Monti Cristo	THX	100/100ths	Pending (applied 16/10/02)

Key to Tenement Type:

E	=	Exploration License
ELA	=	Exploration License Application
L	=	Miscellaneous License
M	=	Mining Lease
MLA	=	Mining Lease Application
P	=	Prospecting License
PLA	=	Prospecting License Application

Key to Parties:

Attgold	=	Attgold Pty Ltd
CWG	=	Central West Gold
FXL	=	Mawson West Limited (formerly Futurexone Limited)
RRM	=	Ragged Range Mining Pty Ltd
THX	=	Thundelarra Exploration Limited
KMN	=	Kimberley Mining NL
DAR	=	Darkdale Pty Ltd
BYR	=	Byron Exploration Pty Ltd