THUNDELARRA
EXPLORATION LTD

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Thundelarra Exploration Ltd
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24 February 2004

The Manager
Companies Announcement Office
Australian Stock Exchange Limited
Level 4
20 Bridge Street
SYDNEY NSW 2000

Via Electronic Lodgement

Dear Sir/Madam

THUNDELARRA EXPLORATION LIMITED TO SPIN-OFF GOLD ASSETS TO UNITED GOLD LIMITED AND RAISE $5 MILLION

Thundelarra Exploration Ltd ("**Thundelarra**") directors have decided to establish a new wholly owned subsidiary, United Gold Limited ("**United Gold**"), which will acquire Thundelarra's gold assets, raise $5 million and float on the Australian Stock Exchange.

Thundelarra shareholders will, via a capital reduction, receive shares in United Gold. Further details of the number of the United Gold shares to be distributed to shareholders and the record date for such distribution will be released in due course. The share structure of Thundelarra will remain unchanged.

The spin-off float of United Gold will enable Thundelarra to focus its cash and management efforts on its exciting East Kimberley nickel project, where extensive exploration by Thundelarra and its joint venture parties, LionOre Australia Pty Ltd (regional) and Sally Malay Mining Ltd (Copernicus and Salk prospects) will be undertaken this winter.

United Gold will recruit additional management with appropriate expertise to focus on the gold projects, namely:

- **Rothsay - Southern Murchison**
  The Rothsay project has a recently estimated undiluted Inferred Resource of 375,000t @ 9.8g/t for 118,200 ozs gold using a 5.0g/t cut-off. The project has excellent potential to host additional resources at depth and along strike from the current resource.

- **Water Tank - Norseman**
  The Water Tank project is located 5 kilometres east of Norseman, centrally located between a number of mines. Recent exploration by Thundelarra discovered significant gold mineralisation beneath shallow cover. Limited RC drilling returned intercepts of 8m @ 3.24g/t gold from 32m and 6m @ 2.11g/t gold from 24m.

- **Fields Find - Southern Murchison**
  The Fields Find project contains the Baron Rothschild Indicated/Inferred Resource of 512,900t @ 2.79g/t gold for 46,012 ozs, numerous advanced gold prospects and a new PGE discovery. The project is subject to a farm-out joint venture with a Canadian listed junior explorer, Aldershot Resources Ltd ("Aldershot"). Aldershot is earning 60% of the project by the expenditure of $600,000 over 3 years.

- **Warriedar - Southern Murchison**
  The Warriedar project is subject to a farm-out joint venture with Gindalbie Gold NL ("Gindalbie") where Gindalbie sole-funds exploration until a 50,000 oz gold resource is defined. The project tenements are contiguous with Gindalbie's Minjar gold operation and exploration is continuing on the project.

- **Tallering - Southern Murchison**
  The Tallering project covers a poorly explored greenstone sequence along strike from the Snake Well prospect.

- **Davyhurst - Eastern Goldfields**
  The Davyhurst project is located 110 kilometres northwest of Kalgoorlie and covers 7 kilometres strike of the highly prospective Zulieka Shear Zone.

- **Prairie Downs - East Pilbara**
  The Prairie Downs tenement contains a number of high order gold-in-stream anomalies.

Thundelarra intends to exercise the option it holds over the Water Tank project. Upon exercise, subject to shareholder approval, Thundelarra will issue 750,000 ordinary fully paid shares at an issue price of 50 cents and 375,000 options exercisable at 50 cents with an expiry date of 5 years from the date of grant to Darkdale Pty Ltd (an associate company of P G Crabb).

A Thundelarra notice of meeting and explanatory memorandum, concerning the distribution of United Gold shares and the Water Tank option exercise, will be dispatched in due course.

Yours faithfully
Thundelarra Exploration Ltd

PHIL CRABB
Chairman

The resource estimates have been prepared by Geologists who are members of the Australian Institute of Geoscientists and are competent persons for the purposes of JORC Code (1999). Other information in this report, insofar as it relates to resource estimation and exploration activities, are based on information compiled by Mr Brian Richardson who is a Corporate Member of the Australasian Institute of Mining and Metallurgy and who have more than ten years experience in the field of the activity being reported on. This report accurately reflects the information compiled by the member.