



THUNDELARRA

EXPLORATION LTD

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30 September 2004

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

Thundelarra Exploration Ltd
ABN 74 950 465 654
ACN 085 782 994

Via Electronic Lodgement

Dear Sir/Madam

NICKEL EXPLORATION UPDATE

The Directors of Thundelarra Exploration Ltd are pleased to announce the recent results of exploration conducted by the Company on its "Retained Area" tenements (see attached East Kimberley Project map).

An extensive ground electromagnetic ("EM") survey over selected targets identified 6 conductor anomalies that have the potential to host magmatic nickel-copper sulphide mineralization. The anomalies range from 100 metres to 300 metres in length and 5 of the prospects occur beneath nickel-copper gossans. The remaining anomaly occurs beneath a shallow transported cover sequence along strike from known nickel-copper sulphide mineralization.

A drilling rig is expected to be on-site this weekend to commence the initial phase of drilling to assess each of the 6 EM targets. Approximately 15 holes for 1500 metres will be drilled with a second phase of drilling scheduled for late October.

Thundelarra has an extensive and highly prospective tenement holding in the East Kimberley Region. Over 60 mafic-ultramafic intrusions occur within the project tenements and each intrusion has the potential to host significant nickel-copper sulphide mineralization. Thundelarra is systematically assessing all of the known intrusions within the Retained Area tenements and at the same time Thundelarra is searching for mineralization associated with previously undiscovered intrusions. To assist in this search, Thundelarra recently commissioned the De Beers Australia Hyperspectral Business Unit ("DBHU") to conduct an airborne Hyperspectral Survey over approximately 30 square kilometres of the East Kimberley tenements. This test survey very successfully outlined a number of small intrusions and prospective mafic-ultramafic horizons not detectable by other remote sensing techniques.

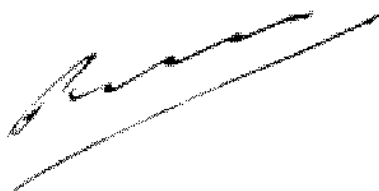
The Hyperspectral system is a mineral mapping technique developed and refined by De Beers to locate the minerals associated with ultramafic kimberlites. The DBHP scanner is mounted in a high flying aircraft and measures the reflectance spectra of minerals within the visible and infrared range. This system is perfectly suited for locating minerals associated with mafic and in particular ultramafic intrusions in areas of excellent outcrop such as the East Kimberley. The system is also so sensitive it can locate the iron minerals of gossans situated over sulphide bodies.

Due to the success of the initial test flight, Thundelarra contracted DBHU to conduct a survey over its entire Retained Area tenements (1,400 square kilometres). The initial results from this survey are very encouraging. Final results will be available within 2 weeks and ground assessment of the highest priority targets generated by the survey will commence immediately.

Thundelarra is committed to the East Kimberley and the acquisition of the air-conditioned 18 man camp at Panton will allow Thundelarra to actively explore in the Region through the summer months, extending the normal field season by approximately 3 months.

Thundelarra has just commenced its most intensive exploration program since establishing a hold in the East Kimberley.

Yours sincerely
THUNDELARRA EXPLORATION LTD

A handwritten signature in black ink, appearing to read 'Philip G Crabb', written over a horizontal line.

Philip G Crabb
CHAIRMAN

For further information about Thundelarra Exploration Ltd.

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or

Brian Richardson
Director of Exploration

Joint Ventures

-  Thundelarra - LionOre JV (First Area)
-  Thundelarra - Sally Malay JV
-  Thundelarra (Retained Area)

Bow River Project
EM Conductor, undercover
large prospective intrusion

Sally Malay Deposit
3.74Mt @ 1.56% Ni, 0.64% Cu
(Sally Malay Mining Ltd)

Billymac B
EM Conductor

Billymac A
EM Conductor
Gossan at Surface

Highway - Tati Style Target
gossan to
4.42 g/t Pt+Pd+Au 0.7% Cu

Robin Prospect
EM Conductor and Gossan
to 4.2% Ni, 2.4% Cu

Thundelarra - Sally Malay JV
Copernicus Resource
241,000t @ 1.5% Ni
0.8% Cu

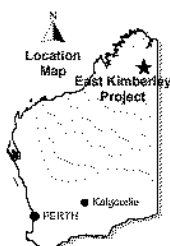
Mable Hill
EM Conductor
Past Drilling to 4m @ 1.4% Ni

Panton Sill Resource
4.3Moz PGE + Au
(Platinum Australia Ltd)

0 10 20
Kilometres
Scale: 1:750 000

LEGEND

- ★ Nickel Prospect
 - Highway
 - Road
 - Town
 - ⊗ Mine / Prospect
 - Tenement Boundary
- Total Project Area 3,000 square Kilometres



THUNDELARRA
EXPLORATION

EAST KIMBERLEY PROJECT EM Targets and Nickel Prospect Locations

Author: S. Attwell	Date: 14/08/04
Drawn: SA	Revised: 29/6/2004
Dwg No.: 440EKB	Report No.:
Projection: AMG Zone 52 AGD84	Scale: 1:750 000