



THUNDELARRA

EXPLORATION LTD

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



Via Electronic Lodgement

Dear Sir/Madam

SIGNIFICANT NEW NICKEL MINERALISATION IN EAST KIMBERLEY

Thundelarra Exploration Ltd ("Thundelarra") have been advised by our joint venture partner LionOre Australia Pty Ltd ("LionOre") that drilling at Keller Creek has in their opinion identified a mineralised intrusion that may represent the most significant nickel occurrence since the discovery of the Sally Malay and Copernicus deposits.

LionOre advise significant results were returned from sulphides intersected in LEKD0044 which was drilled to follow up the sulphide intersections in LEKD0023 (6.2m @ 0.56% Ni, 0.16% Cu from 104.8m) and LEKD0040 (18m @ 0.58% Ni, 0.27% Cu from 267m) in the central portion of the intrusion.

This hole intersected a broad disseminated pyrrhotite – chalcopyrite halo, with the basal contact displaying minor (~ 1m) of massive sulphides. LEKD0044 returned 12m @ 0.34% Ni, 0.14% Cu from 405 metres, including 0.7m @ 2.4% Ni, 0.17% Co, 0.05% Cu from 409 metres (massive sulphides).

Assays received for all basal contact drilling to date are shown below. (Approximate co-ordinates are given for bottom pierce point of intercepts. Surface RL = 450m RL).

Hole Id	RL	AMG E	AMG N	From	Width	Ni%	Cu%	Co%	weighting	Comments
LEKD0023	354	390289	8086258	64.3	32.8	0.18	0.1	0.02	length	Incl. 6.2m @ 0.56%Ni, 0.16%Cu from 104.8 metres and 5.9m @ 0.41%Ni, 0.24%Cu from 115.2 metres
LEKC0015	384	390600	8086583	87.0	10.0	0.22	0.1	-	length	Incl. 1m @ 0.56%Ni, 0.1%Cu from 92 metres
LEKC0017	343	390400	8086400	87.0	7.0	0.2	0.1	-	length	
LEKD0025	298	390710	8086572	74.9	73.1	0.16	0.09	0.01	length	Incl. 7.3m @ 0.39%Ni, 0.10%Cu from 134 metres
LEKD0040	197	390492	8086245	267.0	18.0	0.58	0.27	0.05	length	Incl. 5m @ 0.94%Ni, 0.38%Cu from 269 metres and 5m @ 0.78%Ni, 0.27%Cu from 280 metres
LEKD0043	67	390710	8086307	421.9	2.8	0.87	0.18	0.08	s.g	
LEKD0044	133	390618	8086195	405.0	12	0.34	0.14	-	Length	Incl. 0.7m @ 2.4%Ni, 0.17%Co from 409 metres

The LEKD0044 intercept is significant for two reasons – the tenor of the massive sulphide is up to 3.05%Ni which exceeds all other massive sulphides at Keller Creek, and secondly, in conjunction with previous drilling, it has defined a broad continuous zone of contact sulphides over an arcuate strike length of 350m and a dip extent of 500m, which remains open.

Combined with DHEM surveying, to be undertaken in 2006, future drilling will aim to define a sulphide rich core to the Keller Creek system.

LionOre advise they have compiled and ranked exploration targets for the 2006 field season and to date approximately 12 high priority targets (geological, geochemical and geophysical) have been identified throughout the joint venture area of influence.

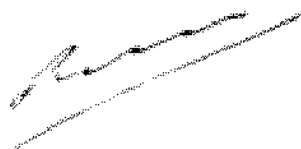
Other Minerals

LionOre also advise a rock chip sample taken from a magnetite bearing oxide layer within the McKenzie Spring intrusion at Sally Bore assayed 1.12% V2O5 (0.63% V) and 11.24% TiO2 (6.74% Ti).

Thundelarra acknowledges and appreciates LionOre's focused and methodical exploration efforts under the terms and conditions of the joint venture agreement. Apart from taking a major stake in Thundelarra in 2002 where LionOre placed \$3.51 million to take up 7,800,000 fully paid shares giving them 10.14% holding in Thundelarra, they have committed to spend \$5 million over 5 years to earn 60% interest in Thundelarra's East Kimberley tenements and to date they have had expenditure of \$3,982,306 and the Thundelarra directors look forward to some excitement as to the possible outcomes in the 2006 season which should commence in late April 2006.

Thundelarra on its own account is hopeful of commencing drilling on our promising Lamboo project in late February, weather permitting.

Yours sincerely
THUNDELARRA EXPLORATION LTD



PHILIP CRABB
Chairman

For further information about Thundelarra Exploration Ltd.

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Contacts:

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Chairman
Thundelarra Exploration Ltd

or

Brian Richardson
Director of Exploration
Thundelarra Exploration Ltd

The details contained in this report that pertain to ore and mineralisation is based upon information compiled by Mr Brian Richardson, a full-time employee of the Company. Mr Richardson is a Member of the Australasian Institute of Mining and Metallurgy (AUSIMM) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Richardson consents to the inclusion in this report of the matters based upon his information in the form and context in which it appears.