THUNDELARRA
EXPLORATION LTD

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Thundelarra Exploration Ltd
ABN 74 950 465 654
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6 June 2006

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

Via Electronic Lodgement

Dear Sir/Madam

NICKEL EXPLORATION UPDATE - COPERNICUS JOINT VENTURE

Thundelarra Exploration Ltd ("THX") has been advised by our joint venture partner, Sally Malay Mining Limited ("SMY") that the first phase of drilling is scheduled to commence on the Copernicus project located in the East Kimberley on the 1 July 2006. An 18 hole, 4,500 metre vertical reverse circulation ("RC") drilling program is planned for the Copernicus North prospect. The purpose of the drilling program is to define a nickel-copper sulphide resource down to a vertical depth of approximately 300 metres (+50mRL). An additional 3,000 metres of pre-collar drilling is also planned for Copernicus Deeps where follow-up diamond drilling will define the extent of the mineralisation down to a vertical depth of 450 metres (-100mRL) (see attached Copernicus Long Section). If the results from the initial drilling programs are encouraging, SMY has budgeted for a total of 17,000 metres of drilling at Copernicus in 2006 at a cost of approximately $2.1 million.

In addition to the Copernicus North resource drilling program, SMY is also proceeding with the preparation of the Notice of Intent to mine and process the Copernicus open cut resource through the operating SMY plant, located approximately 35 kilometres north of Copernicus (see attached Project Location Map). Subject to the granting of all necessary approvals, production from the Copernicus open cut is scheduled to commence in the second quarter of 2007.

Under the terms and conditions of the Copernicus Joint Venture, Sally Malay has a 60% equity and THX a 40% equity in the mining lease application 80/540 covering a area of 1.2 square kilometres. SMY is required to sole fund expenditure of $3.5 million over 4 years to maintain their equity in the tenement (for details of the terms of the joint venture refer to THX's ASX announcement on the 13 April 2006).

The THX directors believe the recent resolution to the dispute with SMY has resulted in a very positive outcome for all parties and moving forward all stakeholders and shareholders can look forward to further good results from exploration efforts both on our own account and in conjunction with our joint venture partners in the exciting East Kimberley mineralised belt.

Yours sincerely
THUNDELARRA EXPLORATION LTD

PHILIP CRABB
Chairman

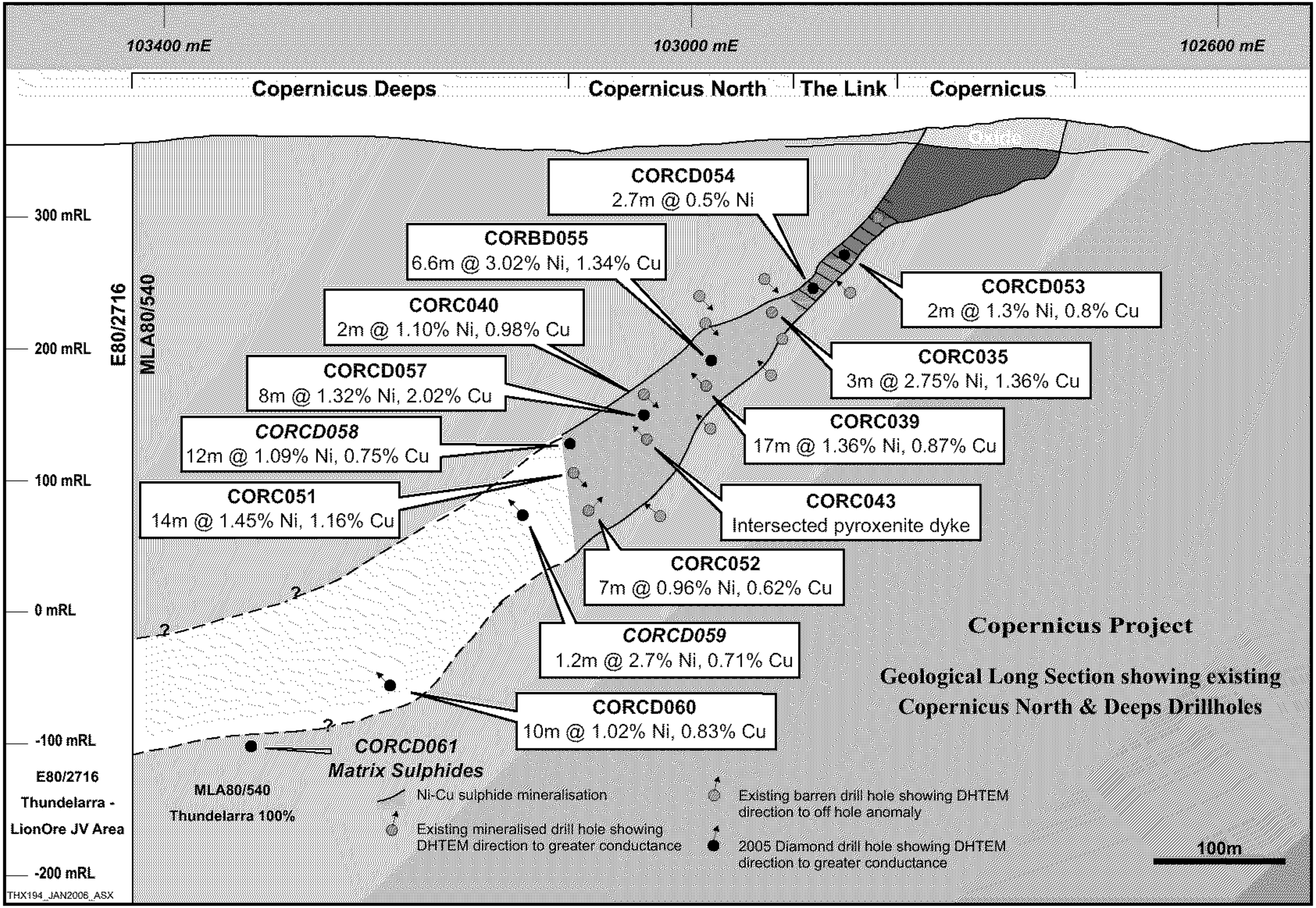
For further information about Thundelarra Exploration Ltd.

Website: **www.thundelarra.com**

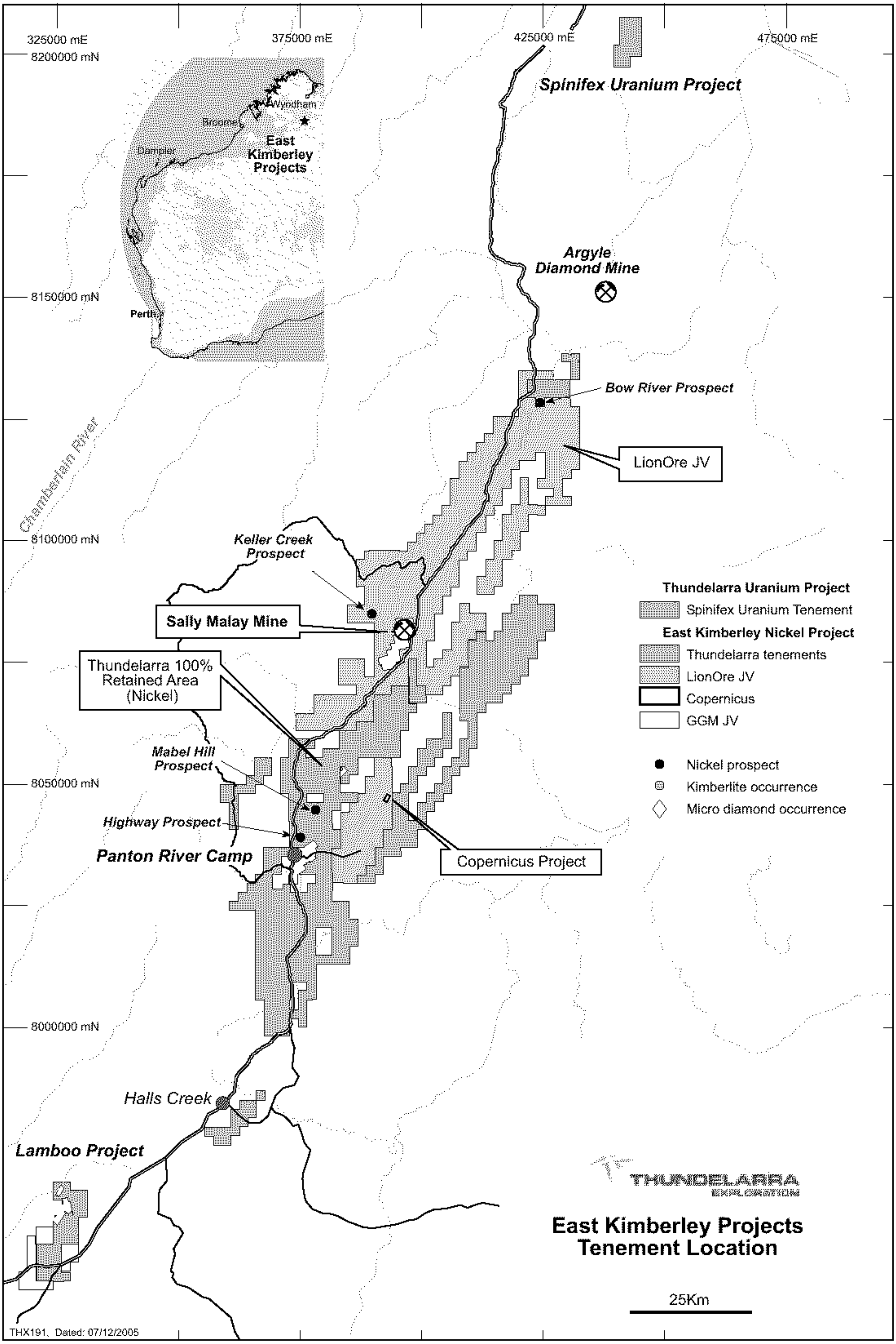
Contacts:

Philip Crabb	or	Brian Richardson
Chairman		Director of Exploration
Thundelarra Exploration Ltd		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.



103400 mE
103000 mE
102600 mE
Copernicus Deeps
Copernicus North
The Link
Copernicus
300 mRL
200 mRL
100 mRL
0 mRL
-100 mRL
-200 mRL
E80/2716
MLA80/540
CORCD054
2.7m @ 0.5% Ni
CORBD055
6.6m @ 3.02% Ni, 1.34% Cu
CORCD053
2m @ 1.3% Ni, 0.8% Cu
CORC040
2m @ 1.10% Ni, 0.98% Cu
CORC035
3m @ 2.75% Ni, 1.36% Cu
CORCD057
8m @ 1.32% Ni, 2.02% Cu
CORC039
17m @ 1.36% Ni, 0.87% Cu
CORCD058
12m @ 1.09% Ni, 0.75% Cu
CORC043
Intersected pyroxenite dyke
CORC051
14m @ 1.45% Ni, 1.16% Cu
CORC052
7m @ 0.96% Ni, 0.62% Cu
CORCD059
1.2m @ 2.7% Ni, 0.71% Cu
CORCD060
10m @ 1.02% Ni, 0.83% Cu
CORCD061
Matrix Sulphides
?
?
?
Copernicus Project
Geological Long Section showing existing Copernicus North & Deeps Drillholes
E80/2716
Thundelarra - LionOre JV Area
MLA80/540
Thundelarra 100%
Ni-Cu sulphide mineralisation
Existing mineralised drill hole showing DHTEM direction to greater conductance
Existing barren drill hole showing DHTEM direction to off hole anomaly
2005 Diamond drill hole showing DHTEM direction to greater conductance
100m
THX194_JAN2006_ASX



325000 mE
375000 mE
425000 mE
475000 mE
8200000 mN
8150000 mN
8100000 mN
8050000 mN
8000000 mN
Wyndham
Broome
Dampier
Perth
East Kimberley Projects
Spinifex Uranium Project
Argyle Diamond Mine
Bow River Prospect
LionOre JV
Chamberlain River
Keller Creek Prospect
Sally Malay Mine
Thundelarra 100% Retained Area (Nickel)
Mabel Hill Prospect
Highway Prospect
Panton River Camp
Copernicus Project
Halls Creek
Lamboo Project
Thundelarra Uranium Project
Spinifex Uranium Tenement
East Kimberley Nickel Project
Thundelarra tenements
LionOre JV
Copernicus
GGM JV
Nickel prospect
Kimberlite occurrence
Micro diamond occurrence
THUNDELARRA EXPLORATION
East Kimberley Projects Tenement Location
25Km
THX191, Dated: 07/12/2005