



THUNDELARRA

EXPLORATION LTD

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28 July 2003

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

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

Via Electronic Lodgement

ACTIVITIES REPORT FOR THE QUARTER ENDED 30 JUNE 2003

HIGHLIGHTS

EXPLORATION

Nickel-Copper

- Thundelarra and Sally Malay sign formal Copernicus Joint Venture Agreement.
- Sally Malay commences resource drilling and exploration on Copernicus tenement.
- Sally Malay on target to commence production from Sally Malay mine in May 2004.
- Thundelarra's East Kimberley regional exploration returns encouraging results from initial gossan sampling programs including 3.0% nickel and 10.7% copper.

Diamonds

- FalconTM survey completed on Phillips Range with results available in July 2003.
- All major access roads upgraded and statutory approvals granted to allow for immediate commencement of exploration.

Gold

- Drilling to commence at Fields Find during August 2003.
- Rothsay project available for joint venture.
- Water Tank option period extended to allow further assessment of project.

CORPORATE

Fund Raising

- Placement raises \$812,508 for working capital.

EAST KIMBERLEY NICKEL-COPPER AND PLATINUM GROUP ELEMENTS PROJECTS

Copernicus Joint Venture (Sally Malay earning 60%)

Thundelarra Exploration Ltd ("Thundelarra") and Sally Malay Mining Limited ("Sally Malay") have signed the formal Copernicus Joint Venture Agreement covering the Copernicus-Salk North nickel-copper prospects. The Copernicus prospect has a near surface Indicated Resource of 220,000 tonnes at a grade of 1.5% nickel and 0.8% copper using a 1% nickel cut-off grade.

Under the terms of the joint venture, Sally Malay has the right to earn 60% interest in MLA80/540 (120ha) covering the prospects by completing a bankable feasibility study on mining the resource and processing it through the Sally Malay plant. Copernicus is located only 35 kms from the Sally Malay mine (see attached Copernicus Project Location map) and could become a significant source of feed for the plant, which has the capacity to treat additional ore during the underground mining phase. Sally Malay is on target to commence production from their deposit in May 2004 with all funding now in place.

Sally Malay has commenced a drilling program to better define the Copernicus resource and to collect samples for metallurgical test work. Results from this work will be available in the September 2003 quarter.

During the June quarter a ground magnetic survey was conducted over the entire tenement, extending the survey completed in June 2002. Data were collected at a station spacing of 5m on lines 50m apart with limited infill to 25m spacing. The data was sent to Southern Geoscience Consultants, Perth for processing and interpretation.

The magnetics clearly shows that the mineralised Copernicus and Salk pyroxenites are part of the one intrusion displaced approximately 400m by a northeast trending fault (see attached Copernicus Project map). Detailed mapping has shown that the pyroxenite unit and interpreted associated gabbro extends for approximately 1.4 kms within the tenement. Reconnaissance gossan sampling discovered a new mineralised coarse-grained pyroxenite outcrop near the northern boundary of the tenement (sample RX1892: 1.34ppm platinum + palladium + gold, 0.8% copper and 0.9% nickel) and within the interpreted Copernicus intrusion. This mineralisation appears to be associated with a small magnetic "bulls eye" anomaly, which may be due to magnetic sulphides associated with the pyroxenite. Further work is now warranted to assess this prospect.

East Kimberley Regional

During the quarter, Rio Tinto Exploration withdrew from the East Kimberley Regional Agreement leaving Thundelarra free to assess and explore the nickel-copper targets generated by the collaborative study. Field assessment commenced during the quarter with a number of prospects returning good results.

At the Keller Creek prospect, located approximately 7 kms north west of the Sally Malay deposit (see attached East Kimberley prospect location map) a detailed ground magnetic survey was completed on a 50m-grid pattern. This survey was designed to locate the down dip extension of the massive sulphide nickel-copper mineralisation discovered in the 1970s (best intercept 7.8m @ 1.0% nickel and 0.26% copper). The sulphide mineralisation is associated with the basal contact of a gabbroic intrusive folded around a small elongated granitic stock. Significant gossans, as yet untested by drilling or detailed geophysical surveys, extend intermittently over a 1.1km strike length from the main gossan outcrop. The sulphides consist of pyrrhotite, chalcopyrite and

pentlandite and are locally remobilized into structurally favourable sites within the gabbro and adjacent country rocks.

Similarly to the Copernicus discovery, the Keller Creek prospect has the potential to host a near surface nickel-copper resource suitable for processing in the nearby Sally Malay plant. Exploration is at an early stage but initial results are encouraging and further work will be conducted during the September quarter.

The preliminary assessment of a number of other prospects defined during the review of the nickel-copper potential of the East Kimberley region has returned some encouraging results. Gossan sampling returned significant results including 3.0% nickel and 10.7% copper from the Sally Bore prospect and 1.1% nickel and 21.8% copper from the Winston prospect. The assessment program is continuing and detailed follow-up programs will be planned during the September quarter.

DIAMONDS

Phillips Range Project (Thundelarra 95% BHPBilliton/Gravity Capital earning 60%)

A 6,963-line km FalconTM airborne gravity survey was flown over a large area of the Phillips Range project during the quarter. The final results from the survey are due late July 2003 and field programs are scheduled to commence in August. During the quarter the main access roads were upgraded through the project area and all statutory approvals granted to allow the immediate commencement of field exploration programs including drilling.

The Directors of Thundelarra are optimistic that the results of the FalconTM survey will generate high priority targets that will warrant drill testing during the September quarter.

GOLD PROJECTS

Water Tank (Thundelarra earning 100%)

The Water Tank project comprises 3 granted prospecting licenses located 5 kms east of Norseman. The tenements cover the interpreted southeastern extension of the Princess Royal Fault, the Wheel Fault and a number of other sub-parallel faults, all of which are important localizing structures in the Norseman Goldfield. The majority of the project is under shallow transported cover and exploration by Thundelarra and other companies has discovered significant gold mineralisation in this poorly explored portion of the region (see March 2003 quarterly report). The prospectivity of the area is further highlighted by the significant drill results Croesus Mining NL recently reported from the nearby Daisy (22m @ 56.9g/t gold) and Gladstone (15m @ 16.1g/t gold) deposits.

Darkdale Pty Ltd, the vendors of the tenements, have extended the option period for a further 6 months allowing Thundelarra the opportunity to continue the assessment of this exciting project.

Fields Find Project (Thundelarra 100%)

The Fields Find project area contains a number of advanced gold prospects including the Baron Rothschild 46,000oz gold resource and the old Fields Find mine. During the September quarter 2003, Thundelarra will review, assess and explore a number of these prospects. A RAB drilling program is scheduled to commence on the Raven prospect during August once all statutory approvals are granted. Previous drilling on this prospect intersected a best result of 7m @ 13.5g/t

gold from 16m and recent work by Thundelarra has shown the mineralisation to be associated with an 800m long structure conformable with a northeast trending mafic/ultramafic contact.

Rothsay (Thundelarra 70%)

Thundelarra has now regained control of the Rothsay project from the administrator of Menzies Gold NL ("Menzies"), the previous joint venture operator of the project. Exploration by Menzies upgraded the project and Thundelarra is now seeking a suitable joint venture partner to take the high-grade underground resource through to a mining stage.

Warriedar (Thundelarra 100% Gindalbie earning 60%)

No significant results were reported from exploration drilling completed during the quarter. Only limited exploration is planned for the September quarter.

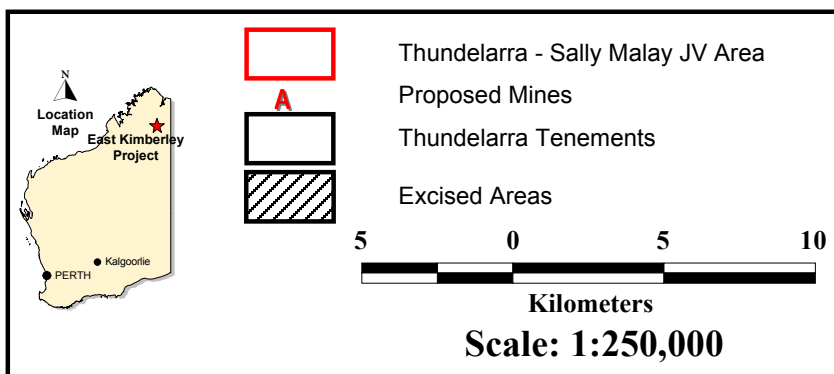
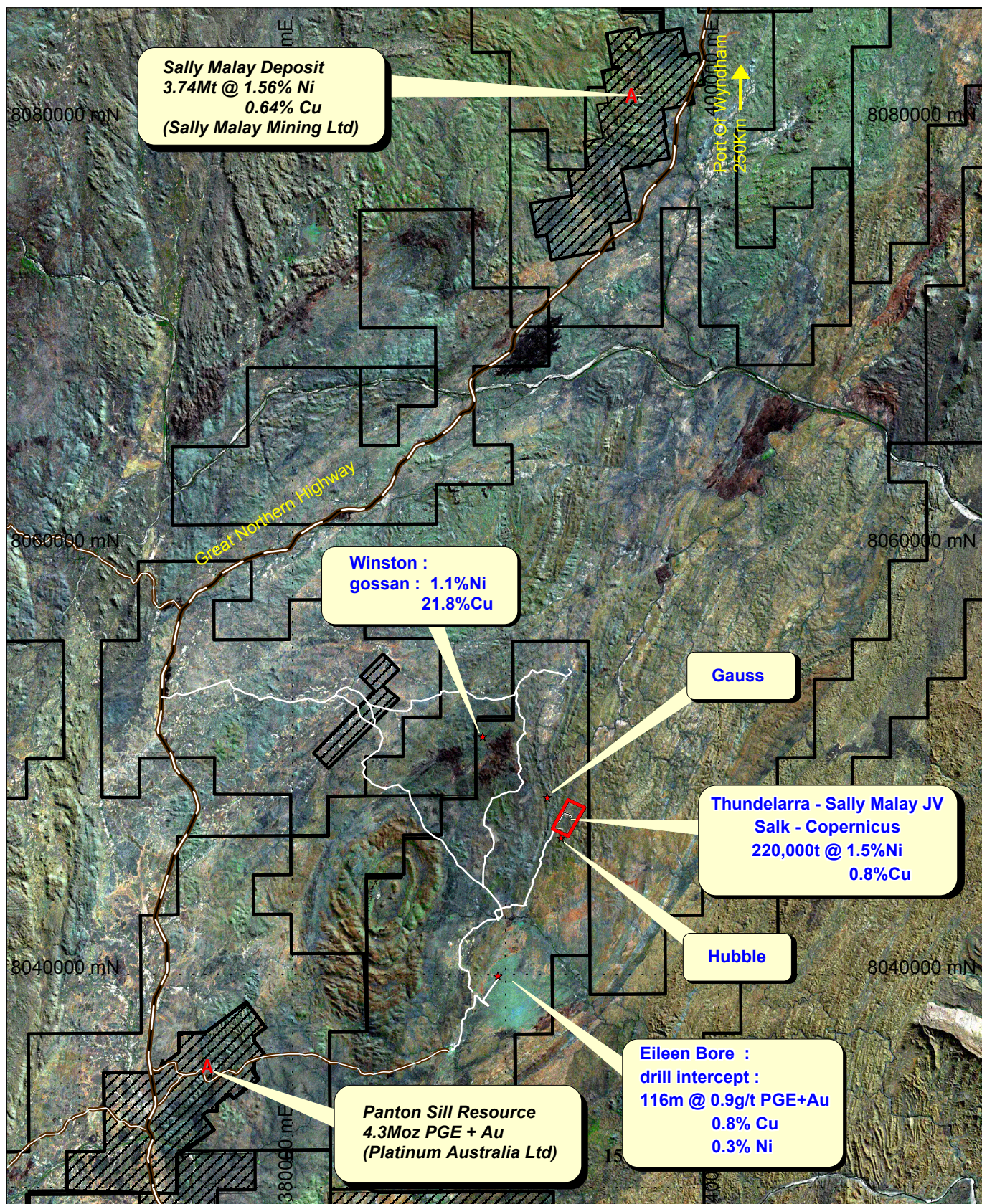
FUND RAISING

During the quarter the Company issued 3,532,644 shares at an issue price of \$0.23 raising \$812,508 (less expenses of the issue) together with 3,532,644 free attached listed options exercisable at \$0.23 each expiring 30 April 2005.

Yours sincerely



Thundelarra Exploration Ltd
P G CRABB
Chairman



THUNDELARRA
EXPLORATION

EAST KIMBERLEY PROJECT Thundelarra - Sally Malay JV Project Location Map

Author:BR

Date:22/07/03

Drawn:RF

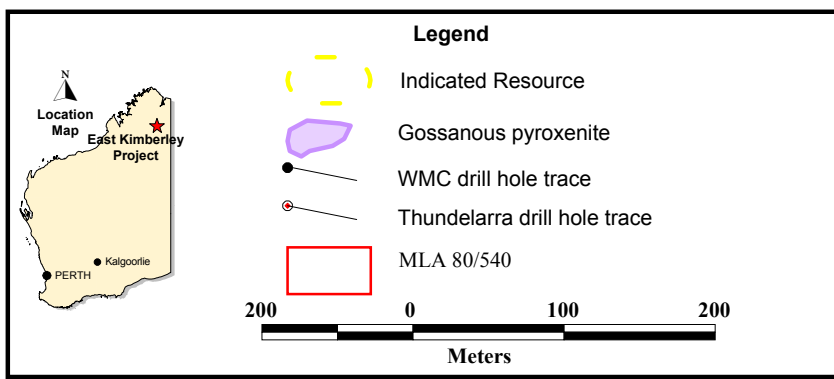
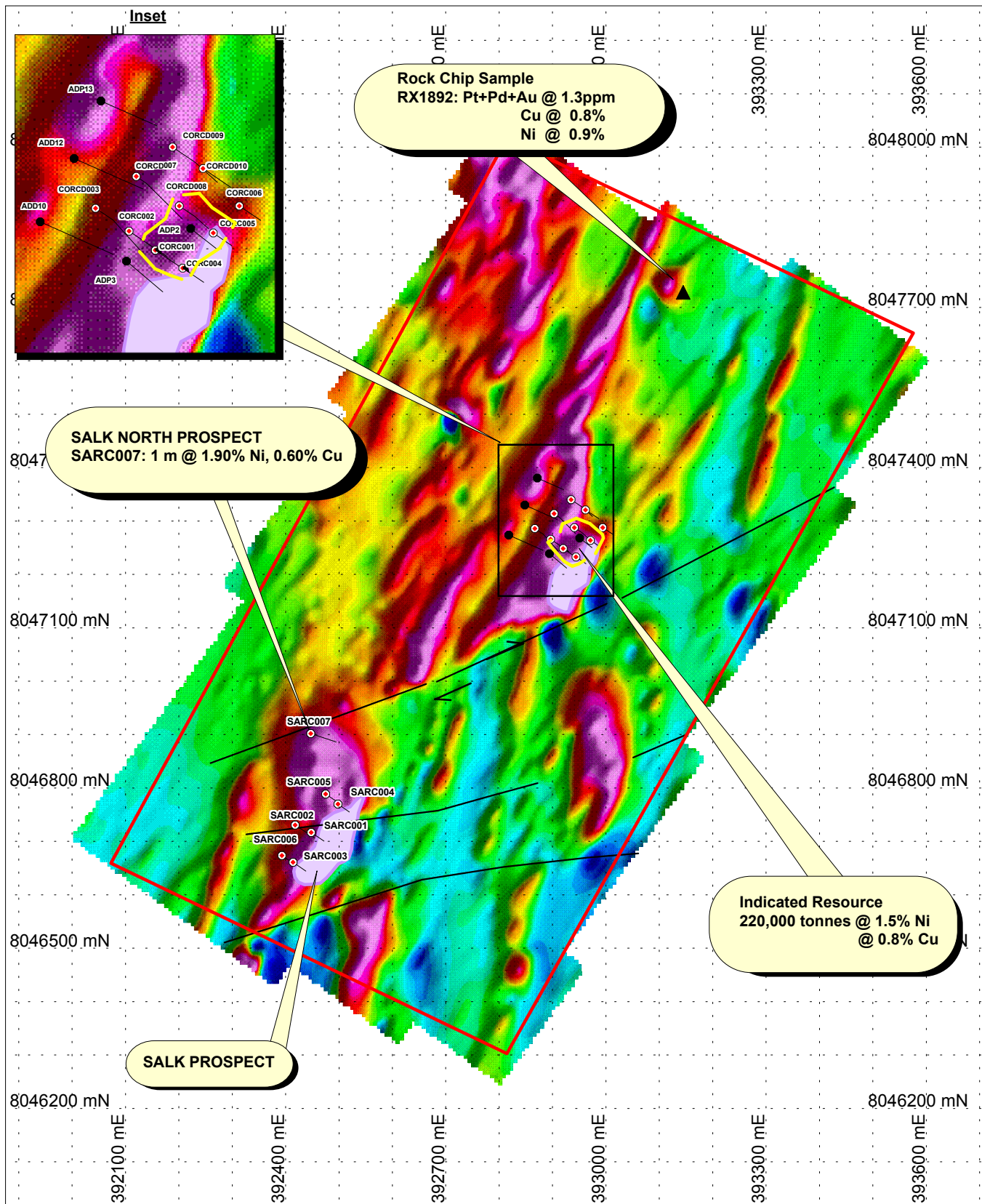
Revised:

Dwg No.:194EKB

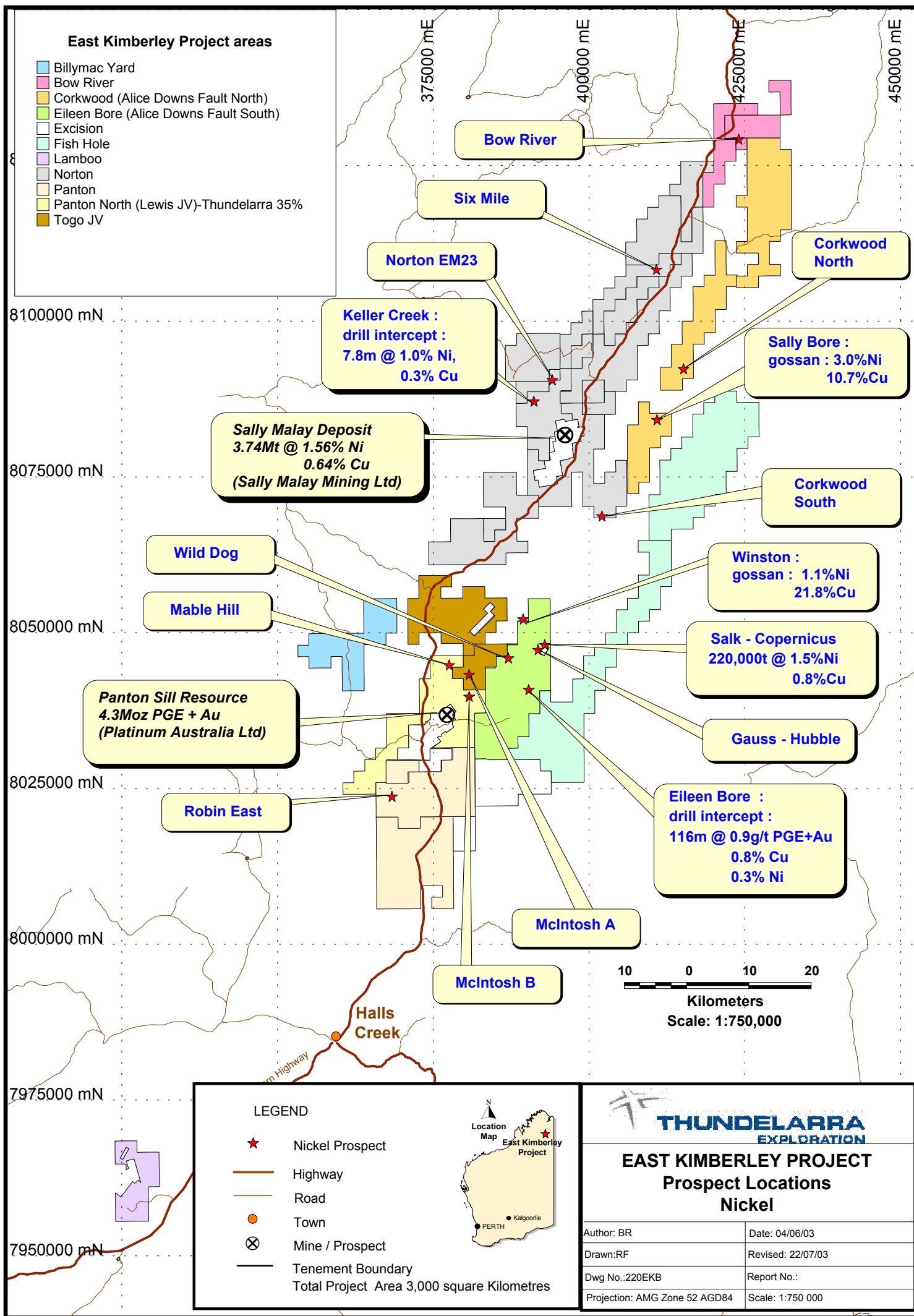
Report No.:

Projection: AMG Zone 52 AGD84

Scale:1:250000



THUNDELARRA EXPLORATION	
EAST KIMBERLEY PROJECT Thundelarra - Sally Malay JV Copernicus Project MLA 80/540 Ground magnetic image and drillhole location	
Author:BR	Date:23/07/03
Drawn:RF	Revised:
Dwg No.:196EKB_Comp	Report No.:
Projection: AMG Zone 52 AGD84	Scale:1:10000



Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98.

Name of entity

THUNDELARRA EXPLORATION LTD

ACN or ARBN

085 782 994

Quarter ended ("current quarter")

30 JUNE 2003

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration and evaluation	(221)	(804)
	(b) development	—	—
	(c) production	—	—
	(d) administration	(290)	(770)
1.3	Dividends received	—	—
1.4	Interest and other items of a similar nature received	9	19
1.5	Interest and other costs of finance paid	—	—
1.6	Income taxes paid	—	—
1.7	Other - exploration expenditure recovered	75	75
Net Operating Cash Flows		(427)	(1,480)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a)prospects	—	(30)
	(b)equity investments	—	—
	(c) other fixed assets	(11)	(54)
1.9	Proceeds from sale of: (a)prospects	—	—
	(b)equity investments	—	—
	(c)other fixed assets	—	14
1.10	Loans to other entities	—	(95)
1.11	Loans repaid by other entities	—	96
1.12	Other (provide details if material)	—	—
Net investing cash flows		(11)	(69)
1.13	Total operating and investing cash flows (carried forward)	(438)	(1,549)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(438)	(1,549)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	812	1,538
1.15	Proceeds from sale of forfeited shares	—	—
1.16	Proceeds from borrowings	—	—
1.17	Repayment of borrowings	—	—
1.18	Dividends paid	—	—
1.19	Other - share issue costs	(59)	(59)
	Net financing cash flows	753	1,479
	Net increase (decrease) in cash held	315	(70)
1.20	Cash at beginning of quarter/year to date	297	682
1.21	Exchange rate adjustments to item 1.20	—	—
1.22	Cash at end of quarter	612	612

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	104
1.24 Aggregate amount of loans to the parties included in item 1.10	—

1.25 Explanation necessary for an understanding of the transactions

Thundelarra's financial year is from the period 1 October 2002 to 30 September 2003.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Not Applicable

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Not Applicable

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	—	—
3.2 Credit standby arrangements	—	—

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	150
4.2 Development	—
Total	150

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	40	84
5.2 Deposits at call	502	163
5.3 Bank overdraft	—	—
5.4 Other (provide details)	70	50
Total: cash at end of quarter (item 1.22)	612	297

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	Baron	E59/835	100%	Nil
	Fields Find	P59/1375, 1377-84	100%	Nil
	Robin Well	E80/2747	100%	Nil
	Eileen Bore	P80/1423-25	100%	Nil
	Moola Bulla	E80/2615	100%	Nil
	Alice Hill	P80/1493, 1497-98	100%	Nil
6.2 Interests in mining tenements acquired or increased	Baron	E59/1108	Nil	100%
		P59/1620-24	Nil	100%
	Phillips Range	E80/2630, 2650, 2652	Nil	95%
	Corkwood Sth	P80/1502	Nil	100%
	Eileen Bore	P80/1506	Nil	100%
	Warmun	E80/2866	Nil	100%
	Killarney	E80/2867	Nil	100%

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference + securities <i>(description)</i>	—	—	—	—
7.2 Changes during quarter				
(a) Increases through issues	—	—	—	—
(b) Decreases through returns of capital, buy-backs, redemptions	—	—	—	—
7.3 +Ordinary securities	50,634,566	50,634,566	—	—
7.4 Changes during quarter				
(a) Increases through issues	3,532,644	3,532,644	\$0.23	\$.023
(b) Decreases through returns of capital, buy-backs	—	—	—	—
7.5 +Convertible debt securities <i>(description)</i>	—	—	—	—
7.6 Changes during quarter				
(a) Increases through issues	—	—	—	—
(b) Decreases through securities matured, converted	—	—	—	—
7.7 Options <i>(description and conversion factor)</i>	3,532,644 1,950,000 1,975,000 422,000 181,250	3,532,644 — — — —	<i>Exercise price</i> A\$0.23 A\$0.35 A\$0.50 A\$0.68 CDN\$0.56	<i>Expiry date</i> 30/04/2005 28/03/2008 28/02/2007 28/04/2004 30/04/2004
7.8 Issued during quarter	1,950,000 3,532,644	— 3,532,644	A\$0.35 A\$0.23	28/03/2008 30/04/2005
7.9 Exercised during quarter	—	—	—	—
7.10 Expired during quarter	—	—	—	—
7.11 Debentures <i>(totals only)</i>	—	—		
7.12 Unsecured notes <i>(totals only)</i>	—	—		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 28 July 2003
(Director/Company secretary)

Print name: FRANK DE MARTE

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities .
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.