



THUNDELARRA

EXPLORATION LTD

Level 33, QV1 Building
250 St Georges Tce, Perth
Western Australia 6000
PO Box 7363, Cloisters Square
Perth WA 6850
Tel 61 8 9321 9680
Fax 61 8 9321 9670
perth@thundelarra.com
www.thundelarra.com

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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
ASX THX

Via Electronic Lodgement

Dear Sir/Madam

NICKEL PROJECTS – EAST KIMBERLEY

The Directors of Thundelarra Exploration Ltd (“Thundelarra”) are pleased to announce that Thundelarra is about to commence a detailed ground electromagnetic (“EM”) survey followed by a diamond/reverse circulation drilling program over selected targets within its extensive East Kimberley landholding (approximately 3000 square kilometres – refer to attached map). Sally Malay Mining Ltd (“Sally Malay”) is also scheduled to commence their first ground EM survey, covering the entire Copernicus Joint Venture tenement in October 2003. A drilling program is expected to follow this survey, and be designed to complete the resource definition drilling at the Copernicus and Salk North prospects and to test any new targets identified by the EM survey. Sally Malay are currently earning 60% equity in the 1.2 square kilometre tenement covering the Copernicus resource (Indicate Resource 220,000 tonnes @ 1.5% nickel and 0.8% copper using a 1% nickel cut-off grade) and the nearby ‘blind’ sulphide discovery at Salk North by completing a Bankable Feasibility Study by December 2004. Copernicus is located only 35 kilometres from the Sally Malay mine and could become a significant source of feed for the plant, which is scheduled to commence production in July 2004.

As Thundelarra plans to explore in the East Kimberley through the remainder of this year, Thundelarra has leased a fully operational, air-conditioned 18 man camp located central to its main areas of interest. Additional geological staff have also been employed to assist in the on-going exploration of numerous nickel-copper targets within the project.

Thundelarra’s initial phase of exploration will concentrate on targets identified along strike from the Copernicus resource (outside of the joint venture tenement). Drilling by Thundelarra in 2002 returned up to 6.42% nickel within the Copernicus resource and this type of high-grade mineralisation is the target for Thundelarra’s on-going regional exploration.

Electromagnetic surveys will also be conducted over other advanced prospects such as Winston (gossan sample: 1.1% nickel and 21.8% copper), Sally Bore (gossan sample: 3.0% nickel and 10.7% copper) and Keller Creek (drill intercept 7.8 metres @ 1.0% nickel).

At the Phillips Range diamond project in the Central Kimberley, Gravity Capital Ltd is continuing the exploration of priority targets identified by the Falcon™ airborne gravity survey. Results from this work will be available in the near future.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Phil Crabb', with a long horizontal line extending from the end of the signature.

Phil Crabb
CHAIRMAN

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

