



THUNDELARRA

EXPLORATION LTD

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

4 December 2003

The Manager
Company Announcements Office
Australian Stock Exchange Limited
20 Bond Street
SYDNEY NSW 2000

Via Electronic Lodgement

Dear Sir/Madam,

PLACEMENT TO LIONORE AUSTRALIA PTY LTD

Thundelarra Exploration Ltd is pleased to advise that the placement to LionOre Australia Pty Ltd approved by shareholders at General Meeting on 21 November 2003 for the issue of 7,800,000 ordinary fully paid shares in the capital of Thundelarra at an issue price of 45 cents each to raise \$3,510,000, and 11,000,000 free unlisted options, each to acquire 1 share exercisable at 68 cents on or before 20 November 2007 has been completed.

LionOre will hold approximately 11.72% of Thundelarra's issued capital following the placement.

Thundelarra has also entered into a farm out and joint venture agreement with LionOre in respect of Thundelarra's East Kimberley Nickel tenements. The principal terms are as follows:

1. LionOre farms into an area of approximately 50% of the 2,800 sq km ("First Area") held by Thundelarra.
2. LionOre will earn a 60% interest on the First Area by sole funding the first \$5 million of exploration expenditure over 5 years.
3. Thundelarra will conduct its own exploration on its retained areas.
4. Thundelarra and LionOre will establish a technical committee to liaise on all exploration and share technical information.
5. Once LionOre has earned a 60% interest on the First Area, it may elect ("Additional Area Election") to expand the joint venture area to include additional areas. If LionOre brings in additional areas, it must sole fund all joint venture expenditure until it has contributed an amount equal to 150% of Thundelarra's expenditure on the additional areas brought in.

6. Thundelarra can then elect to contribute or to dilute in the joint venture area at the standard dilution rate. Thundelarra can also elect at any time to drop to a 20% interest, free carried to decision to mine (following completion of a bankable feasibility study).
7. If a decision to mine is made and Thundelarra does not wish to participate, LionOre must (if it still wishes to proceed) purchase Thundelarra's interest in the relevant mining area for fair market value as agreed or determined by the average of 2 expert's valuations.
8. A mechanism has been agreed to deal with the situation where, before LionOre has earned its 60% interest, Thundelarra has completed, on its retained area, a bankable feasibility study on a proven or probable reserve and has made a decision to mine on certain basis.

For and on behalf of
THUNDELARRA EXPLORATION LTD

A handwritten signature in black ink, appearing to read 'Frank DeMarte', with a stylized flourish extending to the right.

Frank DeMarte
COMPANY SECRETARY