



THUNDELARRA

EXPLORATION LTD

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30 January 2004

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

Electronic Lodgement

ACTIVITIES REPORT FOR THE QUARTER ENDED 31 DECEMBER 2003

HIGHLIGHTS

EXPLORATION

Nickel-Copper

- Drilling at new Copernicus North prospect intersects 3 metres of massive sulphides averaging 2.75% nickel and 1.36% copper.
- Drilling at Copernicus returns best intersection of 7 metres averaging 1.44% nickel and 0.86% copper outside current resource boundary.
- Feasibility study work underway and additional drilling planned for early 2004.
- LionOre define First Area tenements for 2004 exploration programs.
- Thundelarra plan exploration programs for 2004 field season.

Diamonds

- Kimberlitic indicators recovered from two new Falcon™ targets at Phillips Range.

Gold

- Fields Find Project farmed out to Canadian listed Aldershot Resources Ltd.
- Detailed air magnetic survey defines new exploration targets at Rothsay.

CORPORATE

- Share placement to LionOre raises \$3.5 million.
- Renounceable Rights Issue to shareholders raises \$2.1 million.
- Cash at bank \$7.488 million.

EAST KIMBERLEY NICKEL PROJECTS

Copernicus Joint Venture (Thundelarra 100%-Sally Malay earning 60%)

During the December quarter, Sally Malay Mining Limited ("Sally Malay") completed an eight hole (984m) angled reverse circulation drill program on the Copernicus Joint Venture tenement MLA80/540. Six holes were drilled into the Copernicus Prospect (current resource is 241,000t @ 1.5% nickel, 0.8% copper and 0.059% cobalt using a 1% nickel cut-off) to better define the resource extension to the south and at depth. A further two holes were drilled into the new Copernicus North electromagnetic ("EM") anomaly. Assay results from the eight drill holes are summarized below:

Copernicus Drill Programme Assay Summary (based on 0.50% Ni cut-off)

Prospect	Hole No.	E	N	From (m)	To (m)	Int. (m)	Ni%	Cu%	Co%
Copernicus	CORC029	3986	5700	54	58	4	1.47	0.51	0.06
				74	76	2	0.95	0.34	0.03
	CORC030	3962	5700	92	99	7	1.44	0.86	0.06
	CORC031	4001	5686	36	44	8	1.04	0.73	0.04
	CORC032	3977	5686	61	69	8	0.82	0.28	0.03
	CORC033	3951	5687	100	104	4	0.55	0.27	0.03
	CORC034	3955	5713	94	97	3	1.64	0.66	0.06
Copernicus North	CORC035	3877	5880	144	147	3	2.75	1.36	0.08
	CORC036	3834	5872		NSR*				

* NSR – no significant results

The above results are encouraging as they indicate that a new zone of significant nickel-copper sulphide mineralisation occurs at Copernicus North (see attached Copernicus map) and that mineralisation of mineable grade and widths extends to the south of the current Copernicus resource boundary.

The first hole drilled into the Copernicus North EM anomaly, CORC035, intersected 3 metres of massive sulphides averaging 2.75% nickel and 1.36% copper from 144 metres down hole including 1 metre at 4.5% nickel and 0.95% copper. The second hole deviated significantly and did not intersect the target zone.

This new zone of mineralisation occurs 150 metres along strike and down plunge of the Copernicus resource and has an associated EM anomaly estimated to be approximately 200 metres long. This mineralisation has the potential to be considerably larger than the current Copernicus resource and with better grade. Sally Malay will conduct follow-up drilling on Copernicus North at the beginning of the 2004 field season.

Sally Malay is earning 60% interest in the tenement MLA80/540 (120ha) by completing a Bankable Feasibility Study on mining the Copernicus resource and processing it through the Sally Malay plant. Copernicus is located only 35 kilometres from the Sally Malay nickel-copper mine and could become a significant source of open-cut feed for the plant in 2005.

LionOre Joint Venture (Thundelarra 100% - LionOre earning 60%)

On the 8 October 2003 the Directors of Thundelarra announced details of a strategic agreement between LionOre Mining International Limited (“LionOre”) and Thundelarra on the East Kimberley nickel project. In accordance with this agreement, LionOre has selected the tenements to form part of the “First Area” (as shown on the attached East Kimberley Project map) and now has the right to earn a 60% interest in these tenements by sole funding the first \$5 million of exploration expenditure over 5 years. Thundelarra will conduct its own exploration on the remaining area (“Retained Area”). Thundelarra’s current tenement holding in the East Kimberley is approximately 2,800 square kilometres and covers over 50 prospective mafic/ultramafic intrusions and over 100 nickel-copper-platinum group elements occurrences.

During the quarter, Thundelarra completed a ground EM survey and a limited drilling program on E80/2716, the tenement surrounding the Copernicus Joint Venture tenement (MLA80/540). The drill testing of three EM anomalies failed to intersect any significant nickel sulphide mineralisation. Geological mapping however outlined a new small mineralised pyroxenite unit with rock chip sampling returning a best result of 6.4% copper, 0.75% nickel and 0.89g/t platinum+palladium+gold.

LionOre and Thundelarra are currently planning exploration programs for the coming field season with groundwork expected to commence in March.

DIAMONDS

Phillips Range Project (Thundelarra 95% - Diamond Mines Australia earning 60%)

On the 17 December 2003, Gravity Capital Limited (“Gravity Capital”), managers of the Phillips Range Joint Venture, announced positive results from the heavy mineral analysis of samples gathered during September and October. The joint venture is between Diamond Mines Australia Pty Ltd (“DMA”) (40% owned by Gravity Capital), BHP Billiton and Thundelarra. DMA is sole funding exploration and can earn up to 60% in the project.

The survey program was designed to test gravity anomalies identified from a Falcon™ airborne gravity survey completed during July and August of 2003. Whilst continuing to highlight the prospectivity of the known Aries and Persephone valley area for kimberlite, the recent exploration has identified two new areas, remote from Aries, with strong unexplained gravity features and new significant kimberlitic indicator minerals.

At the Elgin 1 gravity target in the Police Valley 10 kilometres north of Aries, drainage sampling has recovered a kimberlitic pyrope garnet potentially derived from an identified gravity feature in a zone of limited outcrop. This garnet represents the first such recovery of this specie of indicator mineral from the Police Valley and is considered significant as garnets are only rarely and proximally recovered in streams sourced from the outcropping Aries pipes.

At the TGB gravity target 7 kilometres west of Aries, the tested combined gravity, magnetic and photo-feature has recovered a kimberlitic chromite from a weakly developed drainage.

Follow-up exploration of these targets and several unresolved or inaccessible targets will commence early in the 2004 field season.

GOLD PROJECTS

Fields Find Project (Thundelarra 100%-Aldershot earning 60%)

Thundelarra has signed a letter agreement in relation to a farmin and joint venture of the Fields Find project with Aldershot Resources Ltd (“Aldershot”), a company listed on the Toronto Stock Exchange. Under the terms of the joint venture, Aldershot may earn a 60% interest in the project by the expenditure of \$600,000 over 3 years and the issuing of 1,000,000 shares Thundelarra. The joint venture will commence once all regulatory approvals have been received and all conditions precedent satisfied.

The Fields Find project comprises 20 tenements covering approximately 168 square kilometres and is located 420 kilometres north of Perth. The project contains the Baron Rothschild gold resource (46,000 ozs gold -indicated/inferred resource), the Fields Find mine (39,500 ozs gold-past production) and numerous advanced gold prospects. The project also has significant platinum-palladium mineralisation and the potential to host magmatic nickel-copper sulphide mineralisation associated with a number of recently discovered mafic/ultramafic igneous complexes.

Aldershot’s initial exploration program will concentrate in the Raven prospect area, where drilling in 1998 intersected 7 metres at 13.5g/t gold and 4 metres at 6g/t gold from shallow depths.

Rothsay (Thundelarra 70%)

During the quarter, Thundelarra completed a detailed low level air magnetic survey over the project. The interpretation of preliminary results from this survey indicates a number of structural targets along strike to the north and south of the main Rothsay workings that appear to be untested by previous explorers. Thundelarra has commenced the ground assessment of these and other targets within the project tenements.

No work was conducted on Thundelarra’s other gold projects during the quarter.

The Board of Thundelarra has decided to sell or joint venture all the Company’s gold assets in Western Australia and concentrate its resources on nickel exploration in the East Kimberley.

CORPORATE

Renounceable Rights Issue

The Directors of Thundelarra announced on 8 October 2003 a capital raising by way of a 1 for 10 renounceable rights issue, on 11 December 2003. Thundelarra issued 5,878,975 ordinary fully paid shares at 36 cents per share and raised \$2,116,431.

Placement to LionOre

On 4 December 2003 Thundelarra made a 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 per share to raise \$3,510,000 and 11,000,000 free unlisted options, each to acquire 1 share exercisable at 68 cents per share on or before 20 November 2007.

Yours sincerely
Thundelarra Exploration Ltd



P G CRABB
Chairman

Enquiries to be addressed to:

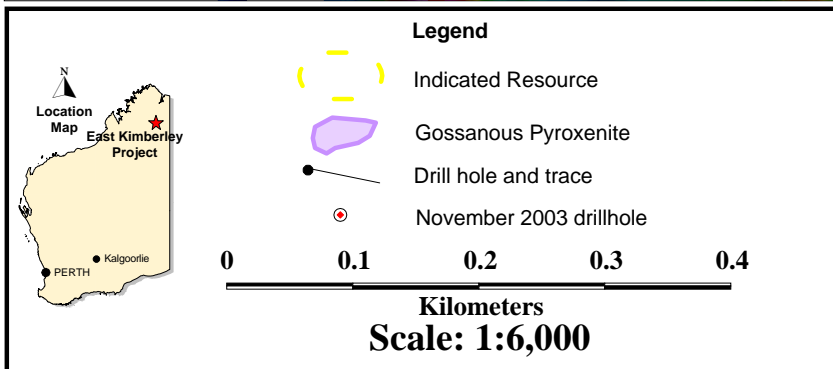
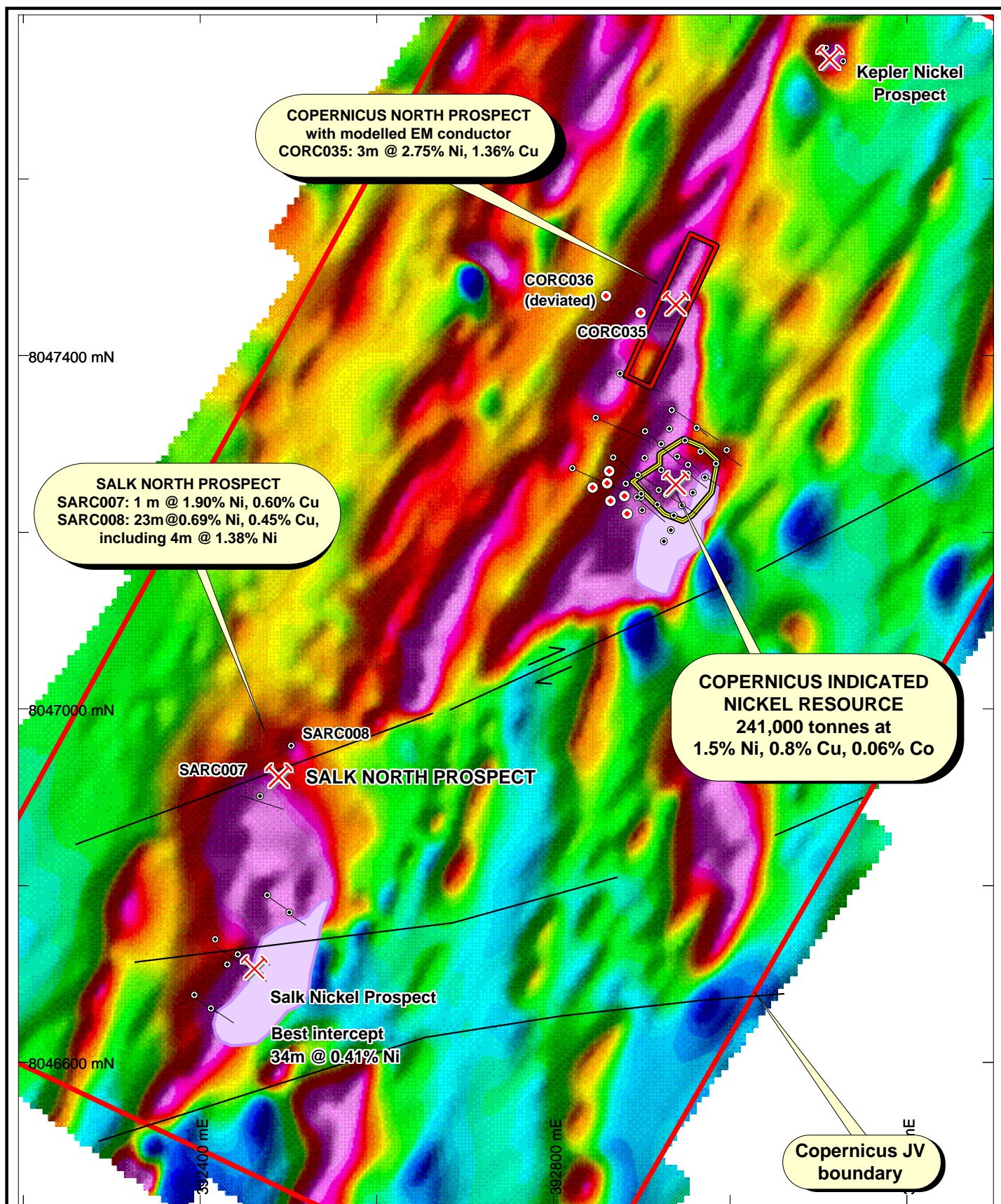
Mr Phil Crabb
Chairman
Thundelarra Exploration Ltd

Mr Brian Richardson
Director Exploration
Thundelarra Exploration Ltd

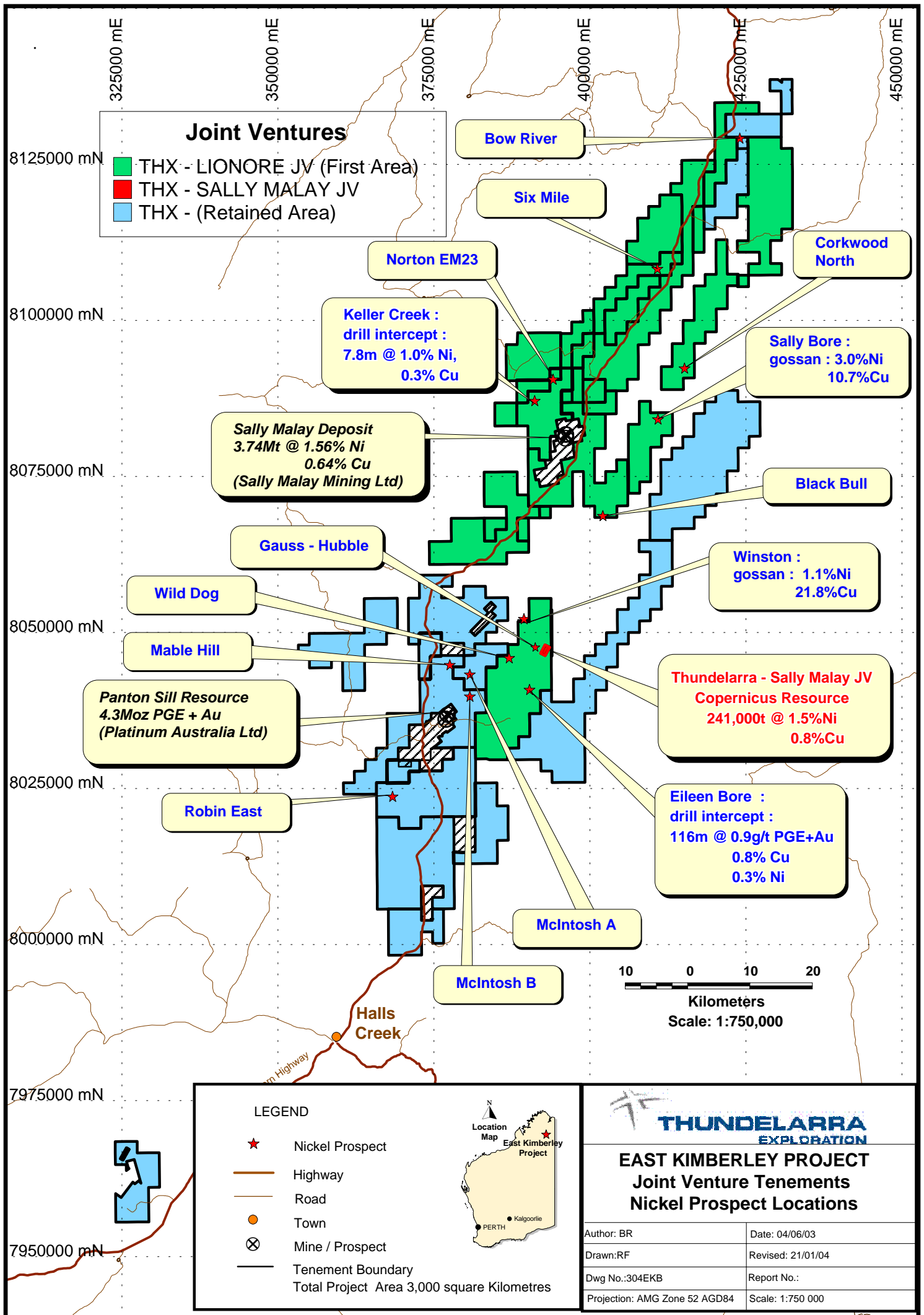
Tel: 61 8 9321 9680

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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 estimation 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 more than ten years experience in the field of the activity being reported on. This report accurately reflects the information compiled by this member.



THUNDELARRA EXPLORATION	
Copernicus JV Nickel Resource with Ground Magnetics and Drilling to December 2003	
Author: SA	Date: 23/07/03
Drawn: SA	Revised:
Dwg No.: 372EKB	Report No.:
Projection: AMG Zone 52 AGD84	Scale: 1:6000



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

085 782 994

Quarter ended ("current quarter")

31 DECEMBER 2003

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for		
(a) exploration and evaluation	(317)	(317)
(b) development	-	-
(c) production	-	-
(d) administration	(172)	(172)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	14	14
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
	(475)	(475)
Net Operating Cash Flows		
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a)prospects	-	-
(b)equity investments	-	-
(c) other fixed assets	(3)	(3)
1.9 Proceeds from sale of:		
(a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
	(3)	(3)
Net investing cash flows		
1.13 Total operating and investing cash flows (carried forward)	(478)	(478)

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(478)	
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	5,812	5,812
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		
	Net financing cash flows	5,812	5,812
	Net increase (decrease) in cash held	5,334	
1.20	Cash at beginning of quarter/year to date	2,154	2,154
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	7,488	7,488

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	163
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 2003 to 30 September 2004.	

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	350
4.2 Development	-
Total	350

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	113	(6)
5.2 Deposits at call	7,218	2,090
5.3 Bank overdraft	-	-
5.4 Other (bank guarantees)	157	70
Total: cash at end of quarter (item 1.22)	7,488	2,154

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	Phillips Range Panton North	P80/1377 P80/1495	95% 35%	Nil Nil
6.2	Interests in mining tenements acquired or increased	Phillips Range Rothsay	E80/2684 L59/24, M5939-40	Nil Nil	95% 70%

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	72,468,726	72,468,726	-	-
7.4 Changes during quarter	5,878,975	5,878,975	\$0.36	\$0.36
(a) Increases through issues	7,800,000	7,800,000	\$0.45	\$0.45
(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	-	-	-	-

Appendix 5B
Mining exploration entity quarterly report

7.7	Options <i>(description and conversion factor)</i>	3,442,644	3,442,644	<i>Exercise price</i> A\$0.23	<i>Expiry date</i> 30/04/2005
		1,480,000	-	A\$0.35	28/03/2008
		1,975,000	-	A\$0.50	28/02/2007
		422,000	-	A\$0.68	28/04/2004
		181,250	-	A\$0.68	30/04/2004
		11,000,000	-	A\$0.68	20/11/2007
7.8	Issued during quarter	11,000,000	-	A\$0.68	20/11/2007
7.9	Exercised during quarter	90,000	90,000	A\$0.23	30/04/2005
		470,000	470,000	A\$0.35	28/03/2008
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:
(Director /Company Secretary)

Date: 30 January 2004.

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.

Appendix 5B

Mining exploration entity quarterly report

- 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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