



# THUNDELARRA

## EXPLORATION LTD

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

26 April 2006

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



### **Via Electronic Lodgement**

Dear Sir/Madam

## **SECOND QUARTER ACTIVITIES & CASHFLOW REPORT 31 MARCH 2006**

### **HIGHLIGHTS**

- **Thundelarra commenced a uranium exploration and project generation campaign with initial work involving the assessment of its four existing uranium projects within Western Australia.**
- **Thundelarra has commenced its field campaign in the East Kimberley with the initial work focussing on the exciting Lamboo nickel-copper, gold and platinum project.**
- **Thundelarra and Sally Malay Mining Limited settle their dispute in relation to the Copernicus Project.**
- **Royal Resources Limited, the iron ore and gold “spin off” from Thundelarra was successfully listed on the Australian Stock Exchange raising a total of \$4,024,000.**

## URANIUM EXPLORATION

In 2005 Thundelarra Exploration Limited (“Thundelarra”) made a strategic decision to allocate funds towards the generation of uranium projects within Australia. This initiative has resulted in the Spinifex, Carola Valley, Kunderong and Yuinmery uranium projects within Western Australia and identified a number of new opportunities in Australia and overseas. The Thundelarra Board has recently approved additional funding to accelerate uranium project generation and to conduct exploration on the existing projects.

### ***Spinifex Uranium Project***

The Spinifex Project consists of one tenement covering 119 square kilometres and is located approximately 50 kilometres north of the Argyle Diamond Mine, East Kimberley region, Western Australia (see attached project location map).

The Spinifex prospect was discovered in 1971 during a regional airborne spectrometric survey. Follow up ground checking of the radiometric anomaly revealed the presence of very rich secondary uranium mineralisation in fractures and breccia zones within the Middle Proterozoic Hensman Sandstone. Seven shallow trenches between 0.5 and 1 metre deep and 1 to 3 metres long were blasted into the sandstone in areas of high radioactivity. The trenches cover approximately 120 metres strike of the exposed sandstone.

Systematic channel and grab sampling of the trenches returned some very high grade results. Trench 1 contained the richest mineralisation, with selected specimens collected close to the surface assaying **8.44%  $U_3O_8$  and 13.5%  $U_3O_8$** . Channel samples collected over 1-2 metre lengths ranged between 0.093%  $U_3O_8$  and 0.24%  $U_3O_8$ .

Trench 2, located 2.5 metres from Trench 1, also showed high uranium values in selected specimens, ranging from **1.84%  $U_3O_8$  to 7.5%  $U_3O_8$** . A channel sample from the floor of the trench assayed a significant **1.62%  $U_3O_8$** .

Trenches 3, 4 and 5 returned a best value of 800 ppm  $U_3O_8$  over 0.6 metres.

A selected specimen sample from Trench 6, located on the southern scarp and 60 metres from Trench 1, assayed **0.203%  $U_3O_8$**  with little visible mineralisation noted at surface.

A channel sample from Trench 7, located on the eastern scarp assayed **0.247%  $U_3O_8$**  while a selected specimen with little visible mineralisation returned an assay of **0.254%  $U_3O_8$** .

The anomalous area lies within the lower beds of the Hensman Sandstone, the lower member of the sediments of the Carr Boyd Group (Middle Proterozoic) and very close and to the east of the pronounced Revolver Creek fault. The Middle Proterozoic Hensman unit disconformably overlies the siltstones of the Lower Proterozoic Revolver Creek Formation. The exploration target for the area is the unconformity style of uranium mineralisation of the Alligator River type.

No drilling or any other follow up exploration was conducted over the prospect due in part to the remote location and difficult access problems. It is important to note that the Spinifex prospect was explored prior to the discovery and development of the nearby Argyle diamond mine. Today the prospect is far more accessible, with the sealed Great Northern Highway and well formed station roads located within a few kilometres of the tenement boundary.

During the quarter Thundelarra visited the prospect and accurately located the mineralised trenches and confirmed the previously reported high radioactivity and the secondary uranium mineralisation reported in the 1970's. The company is currently compiling a digital database of all previous exploration results on the project and a preliminary assessment of the data has already identified 3 additional radiometric anomalies that will be assessed in the following months. An airborne radiometric and magnetic survey will be flown as soon as a suitable and available contractor is located.

It is hoped that this survey will be undertaken in May with detailed ground assessment commencing by June 2006.

### ***Carola Valley Uranium Project***

The Carola Valley Project consists of two tenements covering approximately 200 square kilometres and is located 80 kilometres west of Thundelarra's East Kimberley nickel project. The tenements cover a number of uranium occurrences discovered in the 1970s associated with sandstones and major fault structures. The project area is prospective for the Alligator River unconformity related uranium mineralisation. Uranium values of up to 1%  $U_3O_8$  are reported from the region and numerous anomalies remain poorly tested.

Thundelarra has recently acquired all historical data relating to the project and has commenced the systematic capture of all relevant information. At the completion of this data capture, Thundelarra will plan a helicopter ground survey followed by an airborne radiometric and magnetic survey.

### ***Kunderong Uranium Project***

The Kunderong Project consists of two tenements located approximately 120 kilometres west of Newman, Western Australia. The tenements are adjacent or near to Aldershot Resources Ltd's ("Aldershot") Turee Creek project that contains the 1,050,000t @ 0.035%  $U_3O_8$  sandstone hosted resource. Recent compilation of historical exploration results from the region has identified a number of prospective areas within Thundelarra's 550 square kilometre tenement holding.

Exploration on these tenements will initially involve the completion of the regional review followed by an airborne radiometric survey over selected areas.

### ***Yuinmery Uranium Project***

The Yuinmery Project consists of six tenements covering approximately 500 square kilometres and is located 140 kilometres east of Mt Magnet in the Murchison Region of Western Australia. The tenements are adjacent to Aldershot's Yuinmery project that contains the 1,580,000t @ 0.037%  $U_3O_8$  calcrete hosted resource. Recent data compilation has shown the prospectivity of the areas surrounding the resource and within Thundelarra's tenements.

Thundelarra plans to complete the data compilation work and will conduct an airborne radiometric and magnetic survey over the calcrete channel areas draining into the extensive Lake Noondie salt lake system.

## **EAST KIMBERLEY REGIONAL JOINT VENTURE**

Thundelarra is a large tenement holder in the East Kimberley with over 2,900 square kilometres of prospective nickel, gold and uranium tenure (see attached tenement location map). The majority of the tenements are subject to the East Kimberley Joint Venture, where LionOre Mining Australia Pty Ltd ('LionOre') is earning a 60% equity by spending \$5 million over 5 years. The uranium tenements are excluded from this joint venture and are held 100% by Thundelarra.

### ***Thundelarra Funded Exploration***

Thundelarra has commenced its initial field exploration campaign on the Lamboo project where work conducted in 2005 discovered a number of new targets that will be drilled tested during the June quarter. The project not only has the potential to host significant nickel-copper sulphide mineralisation associated with a number of untested electromagnetic anomalies but it also has advanced gold and platinum-palladium prospects that are ready for drill testing.

A comprehensive soil, geological mapping and rock sampling program is underway with the initial drilling program scheduled to commence once all results are available from the current field program.

### ***LionOre Funded Exploration***

LionOre has commenced its 2006 exploration campaign on the First Area tenements with initial work involving the assessment of approximately 11 high priority targets generated during the 2005 field season.

## **COPERNICUS NICKEL PROJECT**

On the 13 April 2006, Thundelarra and Sally Malay made a joint announcement to the Australian Stock Exchange Limited ("ASX") advising that they had signed a formal Deed settling their dispute in relation to the Copernicus project, which will allow both parties to progress the Copernicus open pit and drilling of the Copernicus Deeps.

## **CORPORATE**

Royal Resources Limited (formally known as United Gold Ltd) was admitted to the Official List of the ASX on 6 April 2006 following the completion of \$4,024,000 capital raising. Royal Resources will be exploring its prospective iron target areas within the Pinyalling Iron Ore Project within the Midwest Iron Ore Province and its gold projects in Western Australia.

Yours sincerely  
THUNDELARRA EXPLORATION LTD



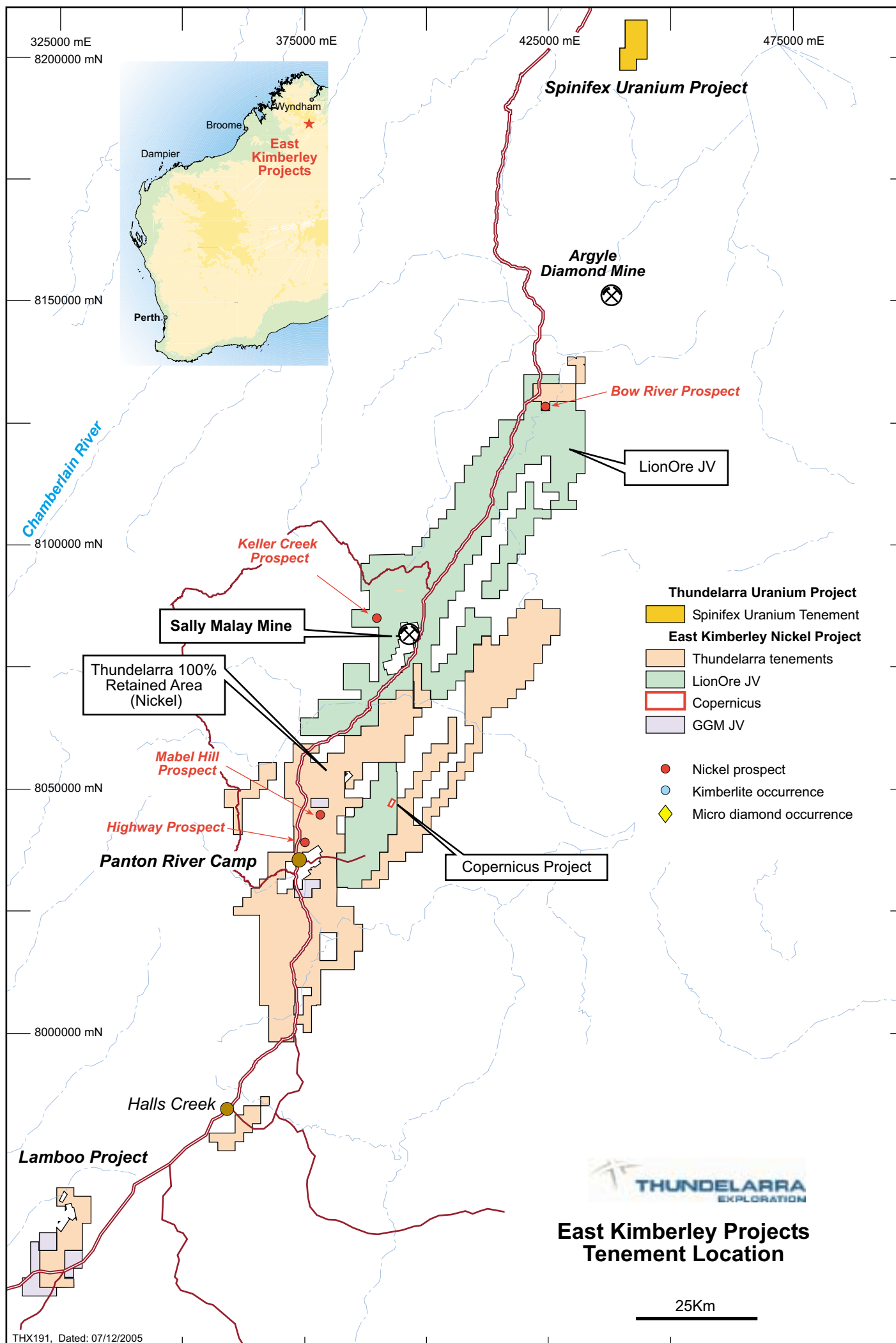
PHILIP CRABB  
Chairman

**For further information about Thundelarra Exploration Ltd.**

**Website:** [www.thundelarra.com](http://www.thundelarra.com)

**Contacts:** Phil Crabb (Chairman) or Brian Richardson (Director of Exploration)

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.



# 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 MARCH 2006**

### Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (6 months) \$A'000
<b>Cash flows related to operating activities</b>			
1.1	Receipts from product sales and related debtors		
1.2	Payments for		
	(a) exploration and evaluation	(188)	(299)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(396)	(1,320)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	11	32
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>		<b>(573)</b>	<b>(1,587)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of:		
	(a)prospects	-	-
	(b)equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a)prospects	-	-
	(b)equity investments	-	-
	(c)other fixed assets	(1)	(1)
1.10	Loans to other entities	(21)	(210)
1.11	Loans repaid by other entities	270	270
1.12	Other (provide details if material)	-	-
<b>Net investing cash flows</b>		<b>248</b>	<b>59</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(325)</b>	<b>(1,528)</b>

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(325)	(1,528)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
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	-	-
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	(325)	(1,528)
1.20	Cash at beginning of quarter/year to date	1,002	2,205
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>677</b>	<b>677</b>

**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
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 2005 to 30 September 2006

**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	400
4.2 Development	-
<b>Total</b>	400

### 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	73	107
5.2 Deposits at call	523	895
5.3 Bank overdraft	-	-
5.4 Other (bank guarantees)	81	-
<b>Total: cash at end of quarter (item 1.22)</b>	677	1,002



**Appendix 5B**  
**Mining exploration entity quarterly report**

**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	Eileen Bore	100%	Nil
		Armanda River	100%	Nil
		Chinamans	100%	Nil
		Edle Creek	100%	Nil
		Turner Spring	100%	Nil
		West McIntosh	6 blocks	3 blocks
6.2	Interests in mining tenements acquired or increased	Pyramid	Nil	100%
		E47/1304		
		E47/1305		
		E47/1467		
		West McIntosh	Earning 80%	80%
		Togo	Earning 80%	80%

**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				
<b>Preference +securities (description)</b>	-	-	-	-
7.2				
Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buy- backs, redemptions	-	-	-	-
7.3				
<b>+Ordinary securities</b>	76,930,370	76,930,370	-	-
7.4				
Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buy- backs	-	-	-	-
7.5				
<b>+Convertible debt securities (description)</b>	-	-	-	-

**Appendix 5B**  
**Mining exploration entity quarterly report**

7.6	Changes during quarter				
	(a) Increases through issues	-	-	-	-
	(b) Decreases through securities matured, converted	-	-	-	-
7.7	<b>Options</b> <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
	1,245,000	-		\$0.325	28/03/2008
	1,771,000	-		\$0.475	28/02/2007
	11,000,000	-		\$0.655	20/11/2007
	1,970,000	-		\$0.675	26/02/2009
	375,000	-		\$0.325	20/04/2009
	290,000	-		\$0.220	31/05/2009
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	20,000	-	\$0.220	31/05/2009
7.11	<b>Debentures</b> <i>(totals only)</i>	-	-		
7.12	<b>Unsecured notes</b> <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: 26 April 2006

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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