THUNDELARRA EXPLORATION LTD

ABN 74 950 465 654

HALF-YEAR FINANCIAL REPORT – 31 MARCH 2006

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CORPORATE DIRECTORY

DIRECTORS

Philip G Crabb	(Chairman)
Frank DeMarte	(Executive Director)
Brian D Richardson	(Executive Director)
Rick W Crabb	(Non Executive Director)
Malcolm J Randall	(Non Executive Director)

COMPANY SECRETARY

Frank DeMarte

REGISTERED OFFICE

Level 3, IBM Building
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WEST PERTH WA 6005

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SHARE REGISTRY

Computershare Investor Services Pty Ltd
Level 2, Reserve Bank Building
45 St Georges Terrace
PERTH WA 6000

AUDITORS

Stantons International
Level 1, 1 Havelock Street
WEST PERTH WA 6005

STOCK EXCHANGE LISTING

The Company's shares are listed and quoted on the Australian Stock Exchange Limited ("ASX").

Home Exchange: Perth, Western Australia

ASX Code: THX

DIRECTORS' REPORT

Your directors submit their report on the Company for the half year ended 31 March 2006.

DIRECTORS

The names of the Company's directors in office during the half year and until the date of this report are:

Philip G Crabb
Frank DeMarte
Brian D Richardson
Rick W Crabb
Malcolm J Randall

RESULT

The loss after tax for the half year ended 31 March 2006 was $448,190 (2005 loss: $290,887).

REVIEW OF OPERATIONS AND RESULTS

Thundelarra is a mineral exploration company listed on the Australian Stock Exchange ("ASX").

EXPLORATION

EAST KIMBERLEY PROJECTS

Thundelarra is a large tenement holder in the East Kimberley with over 2,900 square kilometres covering the Proterozoic Halls Creek Orogen ("HCO"), one of the most prospective and under explored nickel and platinum group metals ("PGM") provinces in Australia. Thundelarra's tenements contain approximately 50 known layered mafic-ultramafic intrusions and over 100 magmatic nickel-copper and PGM occurrences including the significant Copernicus and Keller Creek prospects. Under a regional agreement with LionOre Australia Ltd ('LionOre"), Thundelarra explores some 1,500 square kilometres in its own right and LionOre is farming into 1,400 square kilometres by the expenditure of $5 million over 5 years.

The Farm-in Agreement between Thundelarra and Sally Malay Mining Ltd ("Sally Malay") on the Copernicus tenement mining lease 80/540 was terminated by Thundelarra on 15 April 2005. On 1 June 2005, Sally Malay served a Supreme Court writ on Thundelarra, and the Copernicus prospect was then the subject of litigation for a 12 month period until the dispute was settled on the 13 April 2006. Thundelarra sole funded exploration on the tenement during the period of litigation. The terms of the settlement deed are as follows:

- THX has confirmed that Sally Malay Exploration Pty Limited ("SME"), being a wholly owned subsidiary of SMY, has earned a 60% interest in the Copernicus Project;
- SME has agreed to contribute the first $3,500,000 to expenditure on the Copernicus Project over the next 4 years. In the first year not less than $1,000,000 must be contributed to expenditure of which not less than $500,000 must be contributed to expenditure on drilling of the area known as the "Copernicus Deeps" prospect;
- After the first year SME must contribute not less than $500,000 to expenditure before it is able to withdraw from the joint venture.
- THX has issued 2,500,000 shares to SMY at an issue price of $0.20 per share to raise $500,000;
- THX has granted 2,500,000 unlisted options to SMY to subscribe for shares in THX at an exercise price of $0.40 per option. The options may be exercised at any time in the next 3 years;

DIRECTORS' REPORT (continued)

- SMY and THX have agreed to release each other from any further claims in relation to the Dispute and agreed to formerly discontinue the current action in the Supreme Court of Western Australia with no order for costs.

- The deed also sets out the detailed terms of the joint venture between SME (60%) and THX (40%) moving forward and the basis, in principle, upon which SMY (through its wholly owned subsidiary, Kimberley Nickel Mines Pty Ltd) agrees to treat THX's share of any ore that may be mined from the possible Copernicus open pit mine. No decision to develop and mine the open pit has been made at this time.

Some of the other important elements of the joint venture are as follows:

- THX has the right, should it elect to dilute its interest in the open pit and that interest dilutes to 20%, to transfer its interest in the open pit only (retaining a 40% interest in the Copernicus Deeps) to SME in return for a tonnage based royalty. The royalty will be A$3.50 per tonne of ore mined from the open pit provided that if the average US$ nickel price over any quarter is US$11,023 per tonne (US$5.00 per pound) or more the royalty for that quarter will increase to A$5.00 per tonne;

- SME has the right to make a decision to develop and mine the open pit at any time. Any decision to develop and mine any other part of the Project (including the Copernicus Deeps) will require a unanimous decision; and

- THX has granted SME a right of first refusal should THX wish to deal with its interest in any tenements within an 80 km radius of the SMY plant - this right does not however apply to any tenements that are the subject of the joint venture between THX and Lion Ore.

Details of Thundelarra's exploration activities are presented on the following pages:

Thundelarra Funded Exploration

Copernicus

The mineralisation at Copernicus is hosted by a north plunging pipe-like body of magmatic sulphide mineralisation that has the potential to host a significant sulphide resource of the Voisey's Bay-Sally Malay style. During the year, Thundelarra focused its exploration efforts on testing Copernicus North, the down plunge extension of the Copernicus body and on the nearby Salk North mineralisation. A total of 13 percussion and diamond holes were drilled for 2,676 metres including 2,265 metres of NQ diamond core. A downhole electromagnetic ("DHEM") survey was conducted on most holes and each hole was geologically logged and selected samples collected for assay. Significant drill intercepts from the 2005 drilling are tabled below:

DIRECTORS' REPORT (continued)

TABLE 1: SIGNIFICANT DRILL INTERCEPTS – COPERNICUS PROJECT 2005
> 0.5% NICKEL

Hole	North AMG	East AMG	Azim. (mag)	Dip	Interval : width (m)	Ni (%)	Cu (%)
SARD9	8046935	392483	124	-60	62-65m:, 3m 67-68m: 1m	0.67% 0.86%	0.47% 0.1%
SARD10	8046973	392481	124	-60	65-72m: 7m 74-75m: 1 m 77-84m: 7m 89-96m: 7m	0.63% 0.72% 0.87% 0.63%	0.79% 0.67% 0.58% 0.35%
CORCD053	8047359	392910	113	-60	85.1-86.6m: 2m	1.3%	0.8%
CORCD054	8047387	392908	113	-60	99.9-102.6m: 2.7m	0.5%	0.60%
CORBD055	8047517	392874	116	-65	184.5–191.1m:6.6m **(weight average 6.6m)** 193-195m: 2m	2.85% **3.02%** 0.82%	1.37% **1.34%** 0.03%
CORBD057	8047589	392841	116	-65	235-248m : 13m	0.99%	1.34%
CORBC058	8047630	392869	114	-70	255-267m: 12m	1.09%	0.78%
CORCD059	8047727	392789	116	-63	331.4-332.6m; 1.2m	2.7%	0.71%
CORCD060	8047853	392758	108	-71	439.3-449m; 10m	1.02%	0.83%

The drilling program and subsequent DHEM surveys very successfully defined the sulphide mineralisation down to a vertical depth of approximately 400 metres and at least 700 metres in down plunge strike extent. The intercept of 6.6 metres @ 3.02% nickel and 1.34% copper in hole CORBD055 clearly indicates the potential for a higher grade core to the plunging lens-shaped body of mineralisation.

Lamboo Project

The Lamboo project is located 40 kilometres south west of Halls Creek and consists of 5 tenements covering approximately 80 square kilometres. Thundelarra holds 100% equity in 3 of the tenements and is earning an 80% equity in the remaining tenements held by Great Gold Mines Ltd, by spending $200,000 over 3 years.

The project covers the poorly exposed Lamboo Intrusive Complex ("LIC"). This is a structurally complex layered intrusion approximately 23 kilometres long and 1.5 kilometres in width with at least a 20 kilometre strike length within the Lamboo project tenements. The project is prospective for ortho-magmatic nickel-copper sulphide mineralisation associated with the LIC, PGM associated with numerous mapped chromitite seams and disseminated sulphide accumulations and gold mineralisation related to the Nicolson fault structure. Thundelarra's exploration effort has concentrated primarily on the search for magmatic nickel-copper sulphides associated with the LIC. In 2004 a hyperspectral survey was flown across the project, the results of which clearly defined the prospective contacts of the extensive ultramafic unit. In 2005 an airborne electromagnetic survey (HoistEM) was conducted identifying 11 conductor anomalies within the tenements located at or near the prospective ultramafic contacts. These targets will all be assessed during the 2006 field season.

Results from the field assessment of 20 prospect areas in late 2005 returned encouraging gold, PGM and nickel-copper sulphide mineralisation, including:

- Rock sample, gabbro hosted quartz vein – 96g/t gold.
- Intrusion related platinum-palladium-gold to 2.96g/t.
- Gossan to 6% copper, 0.5% nickel.

DIRECTORS' REPORT (continued)

Within Thundelarra's 100% tenure at the Airport South prospect a rock sample of ferruginous quartz vein, hosted within poorly outcropping gabbro returned a 96.25g/t gold assay. The area has poor exposure but is coincident with an airborne magnetic feature some 1.6km in strike length. No prior gold mineralisation has been reported from within this area.

Rock sampling to 2.96g/t platinum-palladium-gold was identified associated with numerous chromite layers focused within the upper contact zone of the dunite unit at the Attwell prospect. The prospect area has poor outcrop and requires follow up drilling to be fully assessed.

At the Midnight North prospect siliceous gossan within the basal dunite contact returned 6% copper and 0.5% nickel. Several other prospects also display potential for massive and disseminated nickel-copper-platinum mineralisation.

All prospects will be assessed during the 2006 field season.

LionOre East Kimberley Joint Venture

LionOre carried out considerable exploration during 2005 with work focused on the Keller Creek, McKenzie Spring, Fletcher Creek and Dave Hill prospects. The exploration consisted of reverse circulation and diamond drilling, ground and down hole electromagnetic surveys, aeromagnetic surveys, geological mapping and surface geochemical sampling programs.

Most of the exploration was centred at Keller Creek, with the work aimed at evaluating the nickel potential of the mineralised basal contact of the Keller Creek intrusion and the down plunge extension of the discordant footwall fissure zone. The gossanous and geochemically anomalous basal contact zone can be traced for approximately 1.1 kilometres on surface, 'folding' around the central Misery Granite hill.

Diamond drilling intersected nickel-copper sulphides associated with the intrusion contact and footwall fissure zones. Footwall fissure zone intersections to date include 6.77 metres @ 1.98% nickel and 0.53% copper from 36.8 metres in LEKD22, and 5 metres @ 0.69% nickel and 0.45% copper from 23 metres in LEKC18. Intersections on the western contact zone include 16.25 metres @ 0.4% nickel and 0.2% copper from 104.8 metres in LEKD23, and 18 metres @ 0.57% nickel and 0.27% copper from 267 metres in LEKD40, some 200 metre down dip of the former, including 5 metres @ 0.94% nickel and 0.38% copper from 269 metres and 5 metres @ 0.78% nickel and 0.27% copper from 280 metres. On the northern contact, some 200-300 metre along strike from the former holes, intersections include 7.3 metres @ 0.4% nickel from 134 metres in LEKD25. The intrusion appears to continue at depth, plunging off to the south east. Drill hole locations are presented in Table 2.

TABLE 2 DRILL HOLE LOCATIONS – KELLER CREEK PROSPECT

Hole No	AMG E	AMG N	Dip	Azi (AMG)	RC	DD tail	Total depth
LEKC18	390480	8086570	-50	180	110.0		110.0
LEKD22	390480	8086580	-75	180	15.0	57.5	72.5
LEKD23	390335	8086260	-60	270	45.0	96.5	141.5
LEKD25	390700	8086535	-60	360	75.0	126.5	201.5
LEKD40	390337	8086260	-60	90	60	378.2	438.2

Elsewhere, geological mapping, geochemical sampling, aeromagnetic surveys, ground electromagnetic surveys and limited drilling have identified a number of new target areas that warrant further assessment in the 2006 field season.

DIRECTORS' REPORT (continued)

URANIUM EXPLORATION

In 2005 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.

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.

Thundelarra 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 assess in 2006. An airborne radiometric and magnetic survey will be flown as soon as a suitable and available contractor is located.

DIRECTORS' REPORT (continued)

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.

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.

PYRAMID NICKEL PROJECT, WEST PILBARA

The Pyramid nickel project (Thundelarra 100%) comprises three tenement applications covering some 468 square kilometres within the Archaean aged West Pilbara craton. Tenements are located some 35 kilometres east of the Radio Hill nickel mine and 5 kilometres south of the Sherlock Bay nickel resource.

The project covers layered mafic and ultramafic intrusions with the potential for nickel sulphide mineralization. The tenements secure extensive portions of the Opaline Well Intrusive suite and the southern margin of the Sherlock intrusion. Both have had little past nickel exploration and are extensively obscured by recent cover. A 20 kilometre section of the Cooya Pooya Dolerite is also secured. A gossan developed at the base of an olivine cumulate zone of this unit assayed up to 1.56 g/t platinum + palladium + gold and 0.2% nickel. Initial field assessment of the project will commence in 2006.

RED ROCK GOLD PROJECT, WEST PILBARA

Thundelarra recently entered into a joint venture agreement with De Grey Mining Ltd ("De Grey") on the company's Red Rock tenement, E45/2611. Under the terms of the agreement, De Grey will earn a 60% interest in the tenement by the expenditure of $180,000 within 2 years. Thundelarra will have the right to contribute or dilute down to a 20% free carried interest (decision to mine).

The Red Rock tenement covers approximately 10 kilometres strike of the highly prospective Tabba Tabba shear that hosts a number of De Grey's recently discovered gold resources and base metal discoveries.

DIRECTORS' REPORT (continued)

SUBSEQUENT EVENTS

Since the end of the half year, the following transactions and events in the opinion of directors, are likely to affect significantly the operations of the Company, the results of these operations or the state of affairs of the Company:

(a) On the 13 April 2006, Thundelarra and Sally Malay Mining Limited ("SMY") 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 allowed both parties to progress the Copernicus open pit and drilling of the Copernicus Deeps.

Under the deed, Thundelarra:

(i) has issued 2,500,000 shares to SMY at an issue price of $0.20 per share to raise $500,000 and

(ii) has granted 2,500,000 unlisted options to SMY to subscribe for shares in Thundelarra at an exercise price of $0.40 per option. The options may be exercisable at any time in the next three years.

(b) Royal Resources Limited (formerly 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.

(c) On 15 May 2006, Thundelarra announced that it had successfully completed a fundraising of $2.85 million, via a placement of shares and free attaching options, for the purposes of progressing Thundelarra's exploration projects. BBY Limited was the Lead Manager to the transaction.

The placement will be completed in two tranches:

Tranche 1: Issue of 2,800,000 fully paid ordinary shares at an issue price of $0.19 each, together with 2,800,000 free attaching Options, to raise $532,000. These securities were issued on 25 May 2006. No shareholder approval was required with respect to the issue of Tranche 1 securities.

Tranche 2: Issue of 12,200,000 fully paid ordinary shares at an issue price of $0.19 each, together with 12,200,000 free attaching Options, to raise $2,318,000, subject to shareholder approval at a General Meeting to be held on 26 June 2006.

In addition to Tranche 1 and 2, 2,000,000 Options at an issue price of 3.5 cents per Option, each to acquire one Share exercisable at 19 cents each on or before 30 June 2009, to raise $70,000 ("Option Offer") will also be issued, subject to shareholder approval at General Meeting to be held on 26 June 2006.

(d) On 19 May 2006, Thundelarra disposed of its Panton Exploration Site Camp located in the East Kimberley to Platinum Australia Limited for $110,000.

Apart from the above, no matters or circumstances have arisen since the end of the half year which will significantly affect, or may significantly affect, the state of affairs or operations of the reporting entity subsequent to the half year ended 31 March 2006.

DIRECTORS' REPORT (continued)

CONTINGENT LIABILITIES

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.

SMY and Thundelarra have agreed to release each other from any further claims in relation to the Dispute and agreed to formerly discontinue the current action in the Supreme Court of Western Australia with no order for costs.

Since the last annual reporting date, there has been no material change of any contingent liabilities.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 (Cth) is set out on page 27.

Signed in accordance with a resolution of the Directors:

Frank DeMarte
Director

Perth, 13 June 2006

CONDENSED INCOME STATEMENT
FOR THE HALF YEAR ENDED 31 MARCH 2006

	Notes	31 March 2006 $	31 March 2005 $
Revenue	2	425,608	347,733
Other expenses	2	(873,798)	(638,620)
Loss before tax		(448,190)	(290,887)
Loss before income tax		(448,190)	(290,887)
Income tax expense		-	-
Loss after tax attributable to members		(448,190)	(290,887)
Earnings per share (cents per share)			
- basic loss for the half-year		(0.58)	(0.39)

Diluted earnings per share does not represent an inferior view of the Company's performance and is not disclosed for this reason.

The above income statement should be read in conjunction with the accompanying notes.

CONDENSED BALANCE SHEET
AS AT 31 MARCH 2006

	Notes	As at 31 March 2006 $	As at 30 September 2005 $
ASSETS			
Current Assets			
Cash and cash equivalents	8	595,748	2,114,164
Trade and other receivables		65,296	67,627
Other financial assets		3,708,915	-
Total Current Assets		4,369,959	2,181,791
Non-Current Assets			
Receivables		480,186	543,423
Other financial assets		123,973	2,458,086
Property, plant and equipment		354,058	406,168
Exploration and evaluation expenditure		4,745,023	4,379,724
Total Non-Current Assets		5,703,240	7,787,401
TOTAL ASSETS		10,073,199	9,969,192
LIABILITIES			
Current Liabilities			
Trade and other payables		122,402	588,359
Provisions		54,485	64,503
Total Current Liabilities		176,887	652,862
Non Current Liabilities			
Provisions		22,197	22,197
Total Current Liabilities		22,197	22,197
TOTAL LIABILITIES		199,084	675,059
NET ASSETS		9,874,115	9,294,133
EQUITY			
Issued Capital	4	23,443,215	23,443,215
Other reserves		717,041	4,204
Accumulated losses		(14,286,141)	(14,153,286)
TOTAL EQUITY		9,874,115	9,294,133

The above balance sheet should be read in conjunction with the accompanying notes.

CONDENSED CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED 31 MARCH 2006

	31 March 2006 $	31 March 2005 $
Cash flows from operating activities		
Other revenue received	46,719	20,433
Payments to suppliers and employees	(1,341,688)	(584,915)
Interest received	32,259	143,714
Net cash flows used in operating activities	(1,262,710)	(420,768)
Cash flows from investing activities		
Exploration and evaluation expenditure	(280,257)	(628,472)
Proceeds from insurance claim on a vehicle	-	22,182
Proceeds from sale of investments	-	1,931
Payments for plant and equipment	(652)	(149,061)
Payments for investments	-	(221,482)
Placement of security deposits	10,000	-
Net cash flows (used in)/from investing activities	(270,909)	(974,902)
Cash flows from financing activities		
Net proceeds from issue of shares	-	15,786
Net recoveries/(payments) made in financing director related entities	15,203	(107,733)
Net cash flows from/(used in) financing activities	15,203	(91,947)
Net decrease in cash and cash equivalents held	(1,518,416)	(1,487,617)
Cash and cash equivalents at the beginning of the half year	2,114,164	5,056,269
Cash and cash equivalents at the end of the half year	595,748	3,568,652

The accompanying notes form part of these financial statements.

CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 MARCH 2006

	Issued capital	Accumulated losses	Other reserves	Total equity
	$	$	$	$
At 1 October 2004	22,842,673	(11,451,905)	-	11,390,768
Issue of shares	15,786	-	-	15,786
Profit/(loss) for the period	-	(290,887)	-	(290,887)
At 31 March 2005	22,858,459	(11,742,792)	-	11,115,667

	Issued capital	Accumulated losses	Other reserves	Total equity
	$	$	$	$
At 1 October 2005	23,443,215	(14,153,286)	4,204	9,294,133
Application of AASB 132 and AASB 139	-	315,335	-	315,335
Net gains on available for sale financial assets	-	-	712,837	712,837
Profit/(loss) for the period	-	(448,190)	-	(448,190)
At 31 March 2006	23,443,215	(14,286,141)	717,041	9,874,115

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2006

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the entity as the full financial report.

The half-year financial report should be read in conjunction with the annual Financial Report of Thundelarra Exploration Ltd as at 30th September 2005, which was prepared based on Australian Accounting Standards applicable before 1st January 2005 ("AGAAP").

It is also recommended that the half-year financial report be considered together with any public announcements made by Thundelarra Exploration Ltd during the half-year ended 31 March 2006 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

(a) Basis of accounting

The half-year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 134 "Interim Financial Reporting" and other mandatory professional reporting requirements.

The half-year financial report has been prepared on a historical cost basis, except for financial assets that have been measured at fair value.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

(b) Statement of compliance

The half-year financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ("AIFRS"). Compliance with AIFRS ensures that the half-year financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ("IFRS").

This is the first half-year financial report prepared based on AIFRS and comparatives for the half-year ended 31 March 2005 and full-year ended 30 September 2005 have been restated accordingly. A summary of the significant accounting policies of the Group under AIFRS are disclosed in Note 1(c) below.

Reconciliations of:

- AIFRS equity as at 1 October 2004, 31 March 2005 and 30 September 2005; and
- AIFRS loss for the half-year 31 March 2005 and full year 30 September 2005,

to the balances reported in the 31 March 2005 half-year report and 30 September 2005 full-year financial report prepared under AGAAP are detailed in Note 1(e) below.

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2006

(c) Summary of significant accounting policies

(i) Exploration, development and joint venture expenditure

Exploration, development and joint venture expenditure carried forward represents an accumulation of net costs incurred in relation to separate areas of interest for which rights of tenure are current and in respect of which:

(a) such costs are expected to be recouped through successful development and exploitation of the area, or alternatively by its sale, or
(b) exploration and/or evaluation activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to the areas are continuing.

Accumulated costs in respect of areas of interest, which are abandoned, are written off in the Income Statement in the financial year in which the area is abandoned.

The net carrying value of each property is reviewed regularly and, to the extent to which this value exceeds its recoverable amount, that excess is fully provided against in the financial year in which this is determined.

(ii) Interests in Joint Ventures

There are several joint venture arrangements in place. At this stage all of these projects are still in the exploration phase and only the expenditure incurred to date on exploration activities has been capitalised as an asset in the financial statements.

(iii) Property, plant, equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Depreciation

The depreciable amount of all fixed assets is based on the diminishing value method over their useful lives to the Company commencing from the time the assets are held ready for use. The depreciation rates used are as follows:

Site Camp	7.5%	-	30%
Plant and equipment	15%	-	50%
Office furniture and equipment	20%	-	40%
Vehicles	22.5%	-	30%

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2006

(c) Summary of significant accounting policies (continued)

(iv) Recoverable amount of assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exits, the Company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(v) Investments

All Investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.

After initial recognition, investments, which are classified as held for trading and available-for-sale, are measured at fair value. Gains or losses on investments held for trading are recognised in the income statement.

Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement.

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Company has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification.

Other long-term investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost using the effective interest method.

Amortised cost is calculated by taking into account any discount or premium on acquisition, over the period of maturity.

For investments carried at amortised cost, gains and losses are recognised in income when the investments are derecognised or impaired, as well as through the amortisation process.

For investments that are actively traded in organised financial markets, fair value is determined by reference to Stock Exchange quoted market bid prices at the close of business on the balance sheet date.

For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2006

(c) Summary of significant accounting policies (continued)

(v) Investments (continued)

Purchases and sales of financial assts that require delivery of assets within the time frame generally established by regulation or convention in the market place are recognised on the trade date i.e. the date that the Company commits to purchase the asset.

(vi) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

(vii) Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits which an original maturity of three months or less.

For the purposes of Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(viii) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the re-imbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any re-imbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessment of the time value of money and , where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(ix) Share based payment transactions

The Company provides benefits to the employees (including directors and senior executives) of the Company in the form of share-based payment transactions, whereby services are rendered in exchange for shares or rights over shares ('equity settled transactions').

The Employee Share Option Plan (ESOP) is in place to provide benefits to all employees, including directors and senior executives.

The cost of these equity settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model.

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2006

(c) Summary of significant accounting policies (continued)

(ix) Share based payment transactions (continued)

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to price of the shares of Thundelarra Exploration Limited.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the market conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that in the opinion of the directors will ultimately vest. The opinion is formed on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon market condition.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had bested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(x) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

- Revenue from the sale of assets is recognized at the date that the contract is entered into.
- Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

All revenue is stated net of the amount of goods and services tax (GST).

(xi) Income Tax

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2006

(b) Summary of significant accounting policies (continued)

(xi) Income Tax (continued)

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect to taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assts is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assts and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

(xii) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2006

(c) Summary of significant accounting policies (continued)

(xii) Other taxes (continued)

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(xiii) Foreign currency transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year end exchange rate. Non-monetary items measured at historical costs continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

(d) AASB 1 Transitional exemptions

The Company has made its election in relation to the transitional exemptions allowed by AASB 1 "First-time Adoption of Australian Equivalents to International Financial Reporting Standards" as follows:

Business combinations

AASB 3 "Business Combinations" was not applied retrospectively to past business combinations (i.e. business combinations that occurred before the date of transition to AIFRS).

Designation of previously recognised financial instruments

Financial instruments were designated as financial assets or liabilities at fair value through profit or loss at the date of transition to AIFRS.

Share-based payment transactions

AASB 2 "Share-Based Payments" is applied only to equity instruments granted after 7 November 2002 that had not vested on or before 1 January 2005.

Exemption from the requirement to restate comparative information for AASB 132 and AASB 139

The Company has elected to adopt this exemption.

(e) Impact of Adoption of AIFRS

The impacts of adopting AIFRS on the total equity and loss after tax as reported under Australian Accounting Standards applicable before 1 January 2005 ("AGAAP") are illustrated below:

(i) Reconciliation of total equity under AGAAP to that under AIFRS

	30 September 2005 $	31 March 2005 $	1 October 2004 $
Total equity under AGAAP	9,294,133	11,115,667	11,390,768
Adjustment to equity			
Increase in option reserve on recognition of share based payments	4,204	-	-
Increase in accumulated losses on recognition of share based payments	(4,204)	-	-
Total equity under AIFRS	9,294,133	11,115,667	11,390,768

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2006

(ii) Reconciliation of loss after tax under AGAAP to that under AIFRS

	Year ended 30 September 2005 $	Half-year ended 31 March 2005 $
Loss after tax as previously reported	(2,697,177)	(290,887)
Share-based payment expense (A)	(4,204)	-
Loss after tax under AIFRS	(2,701,381)	(290,887)

(A) Share-based payment costs are charged to the income statement under AASB 2 'Share-Based Payment', but not under AGAAP.

2. OPERATING LOSS

Loss before income tax has been arrived at after including:-

	31 March 2006 $	31 March 2005 $
Interest income	32,259	143,714
Proceeds from insurance claim on a vehicle	-	22,182
Exploration expenditure recovered	138,117	161,273
Increase in market value of investments	346,631	-
Consideration for tenements sold	-	2,400,000
Cost of tenements sold	-	(2,414,228)
Exploration expenditure written off	(37,422)	-
Plant, equipment and vehicles written off	-	(19,585)
Consideration for sale of investments	-	3,531
Cost of investments sold	-	(3,400)
Legal costs	(495,350)	(3,114)

3. LOSS PER SHARE

Basic loss per share	(0.58)	(0.39)

Weighted average number of ordinary shares used in the calculation of basic earnings per share is 76,930,370. Options to purchase ordinary shares not exercised at 31 March 2006 have not been included in the determination of basic earnings per share.

Diluted earnings per share does not represent an inferior view of the Company's performance and is not disclosed for this reason.

4. ISSUED CAPITAL

	31 March 2006 $	30 September 2005 $
Ordinary shares		
76,930,370 Issued and fully paid	23,443,215	23,443,215

There were no movements in ordinary shares on issue during the period.

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2006

5. SEGMENT INFORMATION

Thundelarra Exploration Ltd operates within the exploration industry in Western Australia.

6. SUBSEQUENT EVENTS

Since the end of the half year, the following transactions and events in the opinion of directors, are likely to affect significantly the operations of the Company, the results of these operations or the state of affairs of the Company:

(a) 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 allowed both parties to progress the Copernicus open pit and drilling of the Copernicus Deeps.

Under the deed, Thundelarra:

(i) has issued 2,500,000 shares to SMY at an issue price of $0.20 per share to raise $500,000 and

(ii) has granted 2,500,000 unlisted options to SMY to subscribe for shares in Thundelarra at an exercise price of $0.40 per option. The options may be exercisable at any time in the next three years.

(b) Royal Resources Limited (formerly 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.

(c) On 15 May 2006, Thundelarra announced that it had successfully completed a fundraising of $2.85 million, via a placement of shares and free attaching options, for the purposes of progressing Thundelarra's exploration projects. BBY Limited was the Lead Manager to the transaction.

The placement will be completed in two tranches:

Tranche 1: Issue of 2,800,000 fully paid ordinary shares at an issue price of $0.19 each, together with 2,800,000 free attaching Options, to raise $532,000. These securities were issued on 25 May 2006. No shareholder approval was required with respect to the issue of Tranche 1 securities.

Tranche 2: Issue of 12,200,000 fully paid ordinary shares at an issue price of $0.19 each, together with 12,200,000 free attaching Options, to raise $2,318,000, subject to shareholder approval at a General Meeting to be held on 26 June 2006.

In addition to Tranche 1 and 2, 2,000,000 Options at an issue price of 3.5 cents per Option, each to acquire on Share exercisable at 19 cents each on or before 30 June 2009, to raise $70,000 ("Option Offer") will also be issued, subject to shareholder approval at General Meeting to be held on 26 June 2006.

(d) On 19 May 2006, Thundelarra disposed of its Panton Exploration Site Camp located in the East Kimberley to Platinum Australia Limited for $110,000.

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2006

6. SUBSEQUENT EVENTS (continued)

Apart from the above, no matters or circumstances have arisen since the end of the half year which will significantly affect, or may significantly affect, the state of affairs or operations of the reporting entity subsequent to the half year ended 31 March 2006.

7. CONTINGENT LIABILITIES

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.

SMY and Thundelarra have agreed to release each other from any further claims in relation to the Dispute and agreed to formerly discontinue the current action in the Supreme Court of Western Australia with no order for costs.

Since the last annual reporting date, the Directors are of the opinion that there has been no other change in contingent liabilities other than the above.

8. ADDITIONAL INFORMATION

For the purposes of the Condensed Cash Flow Statement, cash and cash equivalents comprise the following at 31 March:

	31 March 2006 $	31 March 2005 $
Cash at bank and in hand	73,386	23,643
Short-term deposits	522,362	3,565,320
Bank overdraft	-	(20,311)
	595,748	3,568,652

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Thundelarra Exploration Ltd, I state that:

In the opinion of the directors:

(a) the financial statements and notes of the Company:

   (i) give a true and fair view of the financial position as at 31 March 2006 and the performance for the half-year ended on that date of the Company; and

   (ii) comply with Accounting Standards AASB 134: "Interim Financial Reporting" and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Dated at Perth this 13 June 2006.

Frank DeMarte
Director

Stantons International

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INDEPENDENT REVIEW REPORT
TO THE MEMBERS OF
THUNDELARRA EXPLORATION LIMITED

Scope

We have reviewed the financial report comprising the income statement, balance sheet, cash flow statement, statement of changes in equity, accompanying notes to the financial statements and the directors' declaration of Thundelarra Exploration Limited (the "Company") for the half-year ended 31 March 2006 as set out on pages 10 to 24. The directors of the Company are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the Company, and that complies with Accounting Standard AASB 134 "Interim Financial Reporting" in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review Approach

We have performed an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 134 "Interim Financial Reporting" and other mandatory professional reporting requirements in Australia and statutory requirements, so as to present a view which is consistent with our understanding of the Company's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the disclosing entity to lodge the financial report with the Australian Securities and Investments Commission and the Australian Stock Exchange.

Our review has been conducted in accordance with Australian Auditing and Assurance Standards applicable to review engagements. A review is limited primarily to inquiries of the disclosing entity's personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Independence

We are independent of the Company, and have met the independence requirements of Australian ethical pronouncements and the Corporations Act 2001. We have given to the directors of the Company a written Auditor's Independence Declaration.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Thundelarra Exploration Limited is not in accordance with:

(a) the Corporations Act 2001, including:

   (i) giving a true and fair view of the Company 's financial position as at 31 March 2006 and of its performance for the half-year ended on that date; and

   (ii) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and

(b) other mandatory financial reporting requirements in Australia.

STANTONS INTERNATIONAL
(Authorised Audit Company)

Stantons International

J P Van Dieren
Director

West Perth, Western Australia
13 June 2006

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13 June 2006

Board of Directors
Thundelarra Exploration Limited
Level 3, IBM Building
1060 Hay Street
WEST PERTH WA 6005

Dear Directors

RE: THUNDELARRA EXPLORATION LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Thundelarra Exploration Limited.

As Audit Partner for the review of the financial statements of Thundelarra Exploration Limited for the half year ended 31 March 2006, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

STANTONS INTERNATIONAL
(Authorised Audit Company)

John Van Dieren
Director