

**ASX
ANNOUNCEMENT**

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**Thundelarra Exploration
Ltd**

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**THUNDELARRA
EXPLORATION**

NICKEL-COPPER DRILLING

The Directors of Thundelarra Exploration Ltd are pleased to announce that reverse circulation drilling has commenced on the Thundelarra's East Kimberley Lamboo project and on the Copernicus Joint Venture project.

At Lamboo, located 45 kilometres south west of Halls Creek, an initial program of 3,000 metres is underway, designed to test 12 priority nickel-copper, platinum-palladium ("Pt+Pd") and gold targets generated by the recent soil and rock sampling programs, extensive work completed by Thundelarra during 2005 and historical exploration.

The nickel targets include 7 electromagnetic anomalies most with coincident geochemical signatures generated during the 2005 airborne HoistEM survey. The three Pt+Pd targets include the exciting new Homestead West prospect where the recent soil sampling results returned up to 1.3 g/t Pt+Pd and 256 ppb gold overlying an interpreted ultramafic rock unit. The current drilling program will also follow up an historical intercept of 19 metres at 0.93 g/t Pt+Pd in hole LDH26 within the ultramafic sequence. The two gold targets include the Airport prospect where rock sampling of a poorly outcropping quartz reef in 2005 returned an assay of 96 g/t gold. In 2006 further sampling of the reef returned values of up to 20 g/t gold some 100 metres along strike with visible gold detected in several samples.

This initial drilling program is the first Thundelarra has undertaken on the Lamboo project and is designed to test only 12 of more than 30 targets identified. A second drilling program is planned for August-September to follow up any significant results from the current program and to test further 10-12 new targets.

At the Copernicus Joint Venture a 4,500 metre resource definition drilling program is underway designed to define the Copernicus North nickel-copper sulphide resource down to a vertical depth of approximately 300 metres. This program will be followed by approximately 3,000 metres of pre-collar drilling in preparation for a deep diamond drilling program to be conducted once a suitable diamond rig is located.

PHILIP CRABB
Chairman

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.