

ASX ANNOUNCEMENT

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NICKEL – SIGNIFICANT SECTIONS AND ASSAYS AT COPERNICUS

The Directors of Thundelarra Exploration Ltd (“Thundelarra”) are pleased to announce that the first round of holes drilled into the East Kimberley Copernicus North prospect for 2006 have returned significant results including:

- **24 metres @ 2.46% nickel and 1.16% copper** from 184 metres; and
- **14 metres @ 1.54% nickel and 0.92% copper** from 122 metres (see attached Copernicus drillhole location plan).

A total of 2,268 metres (12 holes) of the planned 4,500 metre resource definition drilling programme have been completed. The purpose of this drilling programme is to delineate the Copernicus North mineralisation in sufficient detail to enable the estimation of the Mineral Resources prior to eventually determining an underground ore reserve. The holes are generally drilled on a 50 metre line and 20 to 25 metre hole spacing when existing holes are taken into account. This program will be followed by 3,000 metres of pre-collar drilling with follow-up diamond drilling to define the extent of mineralisation down to a vertical depth of 450 metres. Subject to drilling results a total of **17,000 metres of drilling** is proposed for this year at a budgeted cost of approximately \$2.1 million.

All 12 vertical reverse circulation holes on the Copernicus North prospect intersected the mineralised Copernicus pyroxenite with intersections ranging from 1 metre to 24 metres in width. The results for the first 8 holes are presented in Table 1. It is important to note that significant widths of sulphide mineralisation are reported from holes CORC071-072 and assays from these holes are still pending.

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 underground sulphide resource. The drilling completed in 2005 and so far this year has confirmed the continuity of mineralisation from surface to approximately 400 metres vertical depth and over a down-plunge strike length of at least 600 metres. The mineralisation remains open at depth and may extend across the Copernicus project tenement (MLA80/540) boundary into Thundelarra’s adjoining tenement.

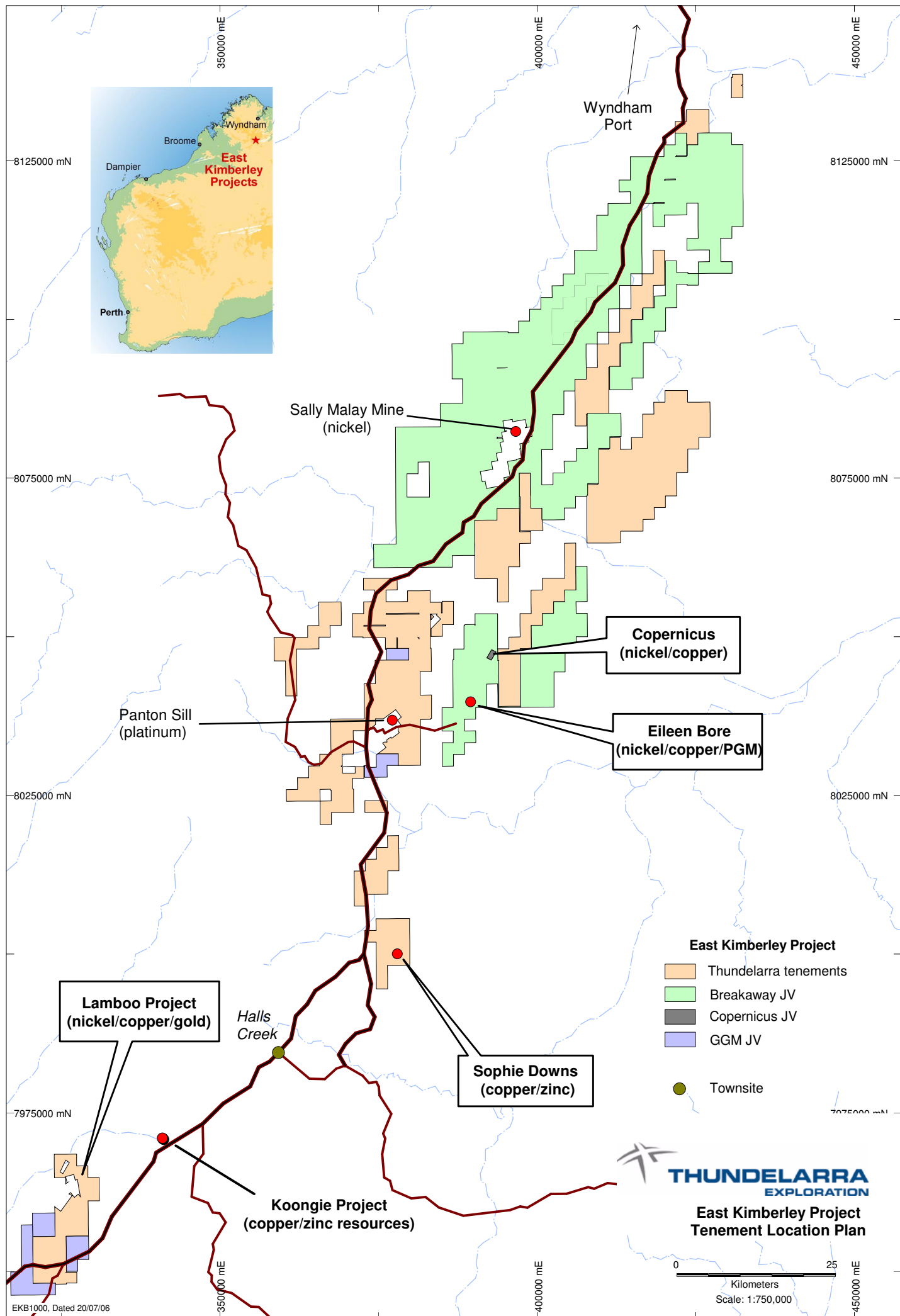
Table 1 Copernicus North Prospect-Drill Intercepts

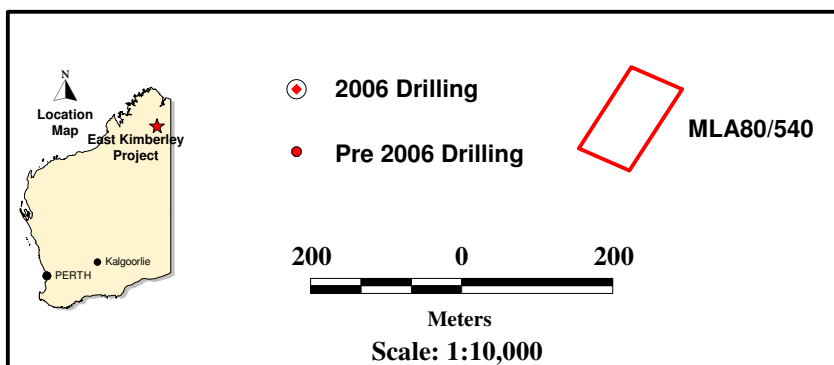
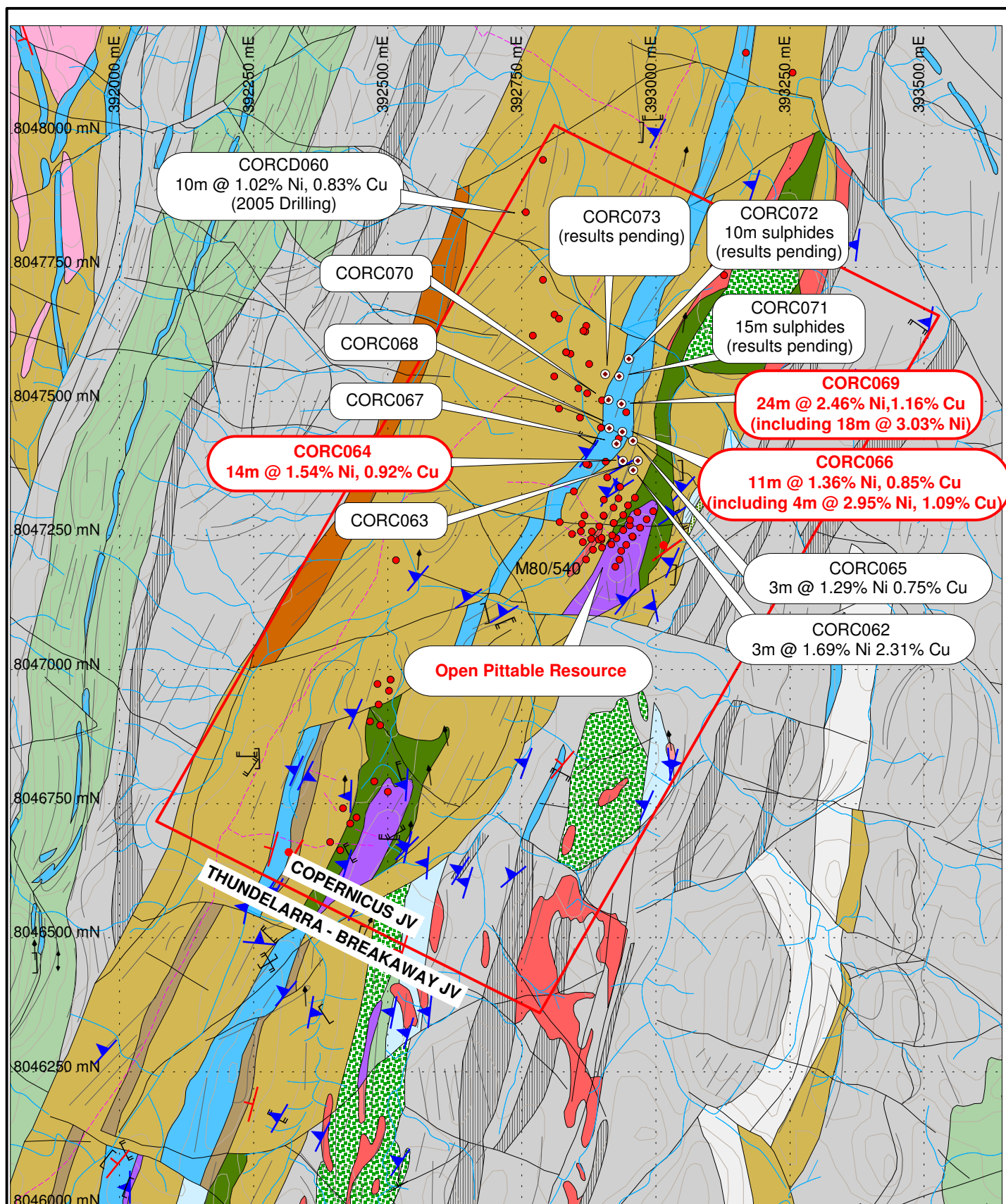
Hole No	North	East	Dip	From-To	Interval	Ni	Cu	Co
CORC062	102908	55400	90	96-99	3	1.69	2.31	0.05
CORC063	102928	55400	90	109-110	1	0.3	0.19	0.01
CORC064	102915	55375	90	122-136	14	1.54	0.92	0.05
CORC065	102957	55375	90	134-137	3	1.29	0.75	0.04
CORC066	102963	55350	90	158-169	11	1.39	1.85	0.05
			Including	158-162	4	2.95	1.09	0.09
CORC067	102938	55350	90	146-149	3	0.54	0.45	0.02
CORC068	102958	55325	90	170-173	3	0.7	0.45	0.03
CORC069	103009	55325	90	186-210	24	2.46	1.16	0.08
			Including	187-205	18	3.03	1.16	0.09
CORC070	103005	55300	90	Pending				
CORC071	103053	55298	90	Pending				
CORC072	103090	55300	90	Pending				
CORC073	103045	55273	90	Pending				

The Copernicus project is a joint venture between Sally Malay Exploration Pty Limited (“Sally Malay”) and Thundelarra. Sally Malay has a 60% equity and Thundelarra a 40% equity in the 1.2 square kilometre tenement MLA80/540, located approximately 35 kilometres south of the operating Sally Malay nickel mine (see attached Project location map). Sally Malay, the managers of the joint venture, are required to sole fund the first \$3.5 million of expenditure on the Copernicus project over the next 4 years to maintain their equity. In addition to the resource drilling the managers of the joint venture are preparing a Notice of Intent for the mining and processing of the Copernicus open pit resource. Production is scheduled to commence in the second quarter of 2007, subject to the granting of the mining lease, receiving all necessary statutory approvals and the participants making a decision to mine.

With the current nickel prices at US\$12.57/lb, Thundelarra is on track to become a cash positive nickel producer by mid 2007.

Thundelarra has a substantial land bank of advanced projects throughout the Kimberley region of WA. Further exploration in the East Kimberley region both on Thundelarra’s own account and through our joint venture partners Breakaway Resources Ltd (formerly LionOre Joint Venture) and Sally Malay is expected to continue to deliver positive results for nickel, base and precious metals and uranium.





Copernicus Project MLA80/540 2006 Exploration	
Author: B.Richardson	Date: 01/ 08/2006
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Projection: AMG Zone 52 AGD84	Scale: 1: 10000