

**ASX
ANNOUNCEMENT**

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Ltd**

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**NEW NICKEL SULPHIDE DISCOVERY IN THE
EAST KIMBERLEY**

Thundelarra Exploration Ltd ("Thundelarra") is pleased to announce the results from a recently completed reverse circulation (RC) drill programme have outlined an effectively blind and previously undiscovered nickel sulphide occurrence 180 metres to the north of the Mabel Hill prospect.

The Mabel Hill prospect forms part of the Panton North Joint Venture where Thundelarra has a 60% equity interest and Kimberley Mining Pty Ltd may retain a contributing 40% equity or dilute to a 20% equity, free carried to any decision to mine.

The Mabel Hill prospect is located only 40 kilometres southwest of the existing Sally Malay mine and 18 kilometres west of Copernicus nickel deposit.

A single vertical hole, THXRC088, was sited to test a magnetic anomaly and intersected disseminated and net textured sulphide mineralisation hosted within a previously unrecognised portion of the igneous intrusion. **The drillhole returned an intercept of 51 metres at 0.28% nickel and 0.14% copper from surface, including 15 metres @ 0.48% nickel and 0.2% copper from 18 metres.** The intrusion has little surface expression and mineralisation is effectively blind at surface.

The Mabel Hill intrusion and the new zone to the north form a narrow and elongate pyroxenite-gabbro-norite igneous body. The intrusion is interpreted to represent a feeder conduit, analogous in style to the Sally Malay and Voisey's Bay intrusions and their associated nickel-copper-cobalt sulphide mineralisation.

The Mabel Hill prospect and gossan were first identified in the 1970s with drilling returning up to 3.8 metres @ 1.4% nickel and 0.4% copper. Previous work by Thundelarra has included a moving loop ground transient electro-magnetic (TEM) survey and one drillhole, TKB001 to test the ground EM anomaly. The recent nine hole RC drill programme (see attached map) has been a more comprehensive test of the area and selected broader or higher grade results are tabulated below.

Results indicate the Mabel Hill intrusive is a fertile, nickel sulphide rich system. The known prospect area, where the intrusion crops out, displays broad but low grade nickel sulphide mineralisation. Importantly, drillhole THXRC088 has identified a higher grade northern portion of the conduit which remains untested by ground geophysics and has limited or no surface outcrop. The prospective target zone may extend for up to 2 kilometres to the north. This area will be the focus for further exploration.

Mabel Hill Prospect - Selected Drill Intercepts

Hole No	North	East	Dip and Azimuth	From -To	Interval	Nickel %		Cobalt %t	Sulphur %
THXRC081	8044606	378346	-60 / 085	28-41m	13m	0.15	0.07	0.009	1.2
and				69-70m	2m	0.34	0.15	0.014	3.1
THXRC082	8044603	378329	-60 / 076	35-49m	14m	0.18	0.09	0.011	1.4
THXRC083	8044632	378365	-60 / 070	3-27m	24m	0.20	0.09	0.47	0.4
and				33-37m	4m	0.29	0.27	0.015	2.2
THXRC084	8044628	378344	-60 / 090	0-23m	23m	0.18	0.10	0.015	0.3
and				61-76m	15m	0.29	0.12	0.014	2.9
THXRC085	8044630	378323	-60 / 091	12-30m	18m	0.26	0.11	0.014	1.0
and				39-78m	39m	0.34	0.12	0.017	2.5
including				54-60m	6m	0.95	0.26	0.042	5.5
THXRC088	8044870	378605	90 (vertical)	0-51m	51m	0.28	0.14	0.015	2.0
including				13-33m	15m	0.48	0.20	0.024	3.7

Note: co-ordinates in AMG Zone 52 AGD84. Intercepts calculated using a +0.1% nickel lower cut, maximum of 1m (or one sample interval) internal waste interval. THXRC088 reported as 3m composited samples.

A ground TEM survey is planned to commence over the target area late in October 2007. This method of geophysical testing is the best suited technique for identifying conductive zones of the target massive sulphide mineralisation. Results from the TEM will allow targeting for further drill testing to take place.

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.

