

THUNDELARRA EXPLORATION LTD

ABN 74 950 465 654

**FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 MARCH 2008**

THUNDELARRA EXPLORATION LTD
ABN 74 950 465 654

HALF-YEAR FINANCIAL REPORT – 31 MARCH 2008

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THUNDELARRA EXPLORATION LTD
ABN 74 950 465 654

CORPORATE DIRECTORY

DIRECTORS

Philip G Crabb	(Chairman)
Brett T Lambert	(Managing Director)
Frank DeMarte	(Executive Director)
Brian D Richardson	(Executive Director)
Malcolm J Randall	(Non Executive Director)

COMPANY SECRETARY

Frank DeMarte

REGISTERED OFFICE

Suite 2
Level 3, IBM Building
1060 Hay Street
WEST PERTH WA 6005

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Email: perth@thundelarra.com

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

SOLICITORS

Blakiston & Crabb
1202 Hay Street
WEST PERTH WA 6005

STOCK EXCHANGE LISTING

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

Home Exchange: Perth, Western Australia

ASX CODES

THX, THXO

WEB

www.thundelarra.com

DIRECTORS' REPORT

Your directors submit their report on the Company for the half year ended 31 March 2008.

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
Brett T Lambert
Frank DeMarte
Brian D Richardson
Malcolm J Randall

RESULT

The consolidated entity incurred an after tax operating profit for the half year ended 31 March 2008 of \$4,318,599 (half year ended 31 March 2007 loss: \$991,945).

PRINCIPAL ACTIVITY

The principal activities of the consolidated entity during the financial half year were in the exploration for mineral resources in Australia.

REVIEW OF OPERATIONS

During the period, the Company continued its exploration activities in Australia.

EVENTS SUBSEQUENT TO REPORTING DATE

There has not been any matters that have arisen since the end of the half year that have significantly affected, or may significantly affect, the operations of the Company, the results of those operations, on the state of the affairs of the Company in future financial years with the exception of any matters mentioned in note 7 of this report.

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 18.

Signed in accordance with a resolution of the Directors:



Brett T Lambert
Director

Perth, 3 June 2008

CONDENSED INCOME STATEMENT
FOR THE HALF YEAR ENDED 31 MARCH 2008

	Note	Consolidated 31 March 2008 \$	Half Year Ended 31 March 2007 \$
CONTINUING OPERATIONS			
Revenue	3	9,548,071	195,793
Other expenses	3	(2,470,737)	(1,187,738)
Profit/(Loss) from continuing operations before income tax		7,077,334	(991,945)
Income tax expense		(2,758,735)	-
Profit/(Loss) after tax from continuing operations attributable to members		4,318,599	(991,945)
Profit/(Loss) per share attributable to ordinary equity holders:			
Basic earnings/(loss) for the half year (cents per share)	4	3.88	(0.99)
Diluted earnings/(loss) for the half year (cents per share)	4	3.65	(0.99)

The above Condensed Income Statement should be read in conjunction with the accompanying notes.

CONDENSED BALANCE SHEET
AS AT 31 MARCH 2008

	Note	Consolidated 31 March 2008 \$	Consolidated 30 September 2007 \$
ASSETS			
Current Assets			
Cash and cash equivalents	9	10,431,714	2,814,510
Trade and other receivables		112,640	140,276
Other financial assets		617,107	752,500
Total Current Assets		<u>11,161,461</u>	<u>3,707,286</u>
Non-Current Assets			
Receivables		125,396	127,581
Other financial assets		26,520,000	27,820,589
Property, plant and equipment		376,171	258,770
Exploration and evaluation expenditure		11,864,233	7,550,037
Deferred tax asset		4,163,795	5,718,206
Total Non-Current Assets		<u>43,049,595</u>	<u>41,475,183</u>
TOTAL ASSETS		<u>54,211,056</u>	<u>45,182,469</u>
LIABILITIES			
Current Liabilities			
Trade and other payables		173,364	161,401
Provisions		128,331	89,282
Total Current Liabilities		<u>301,695</u>	<u>250,683</u>
Non Current Liabilities			
Provisions		60,270	22,197
Deferred tax liability		10,658,021	9,718,606
Total Non Current Liabilities		<u>10,718,291</u>	<u>9,740,803</u>
TOTAL LIABILITIES		<u>11,019,986</u>	<u>9,991,486</u>
NET ASSETS		<u>43,191,070</u>	<u>35,190,983</u>
EQUITY			
Contributed Equity	5	32,791,061	30,408,499
Other reserves		20,736,135	19,437,209
Accumulated losses		(10,336,126)	(14,654,725)
TOTAL EQUITY		<u>43,191,070</u>	<u>35,190,983</u>

The above Condensed Balance Sheet should be read in conjunction with the accompanying notes.

CONDENSED CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED 31 MARCH 2008

	Note	Consolidated Half Year Ended 31 March 2008 \$	Consolidated Half Year Ended 31 March 2007 \$
Cash flows from operating activities			
Other revenue received		11,759	606
Payments to suppliers and employees		(771,000)	(764,134)
Interest received		174,890	80,785
Net cash flows used in operating activities		<u>(584,351)</u>	<u>(682,743)</u>
Cash flows from investing activities			
Exploration and evaluation expenditure		(1,412,211)	(1,236,148)
Proceeds from sale of plant and equipment		3,500	1,950
Proceeds from sale of investments		9,473,483	-
Payments for plant and equipment		(161,959)	(29,798)
Payments for investments		(76,320)	(344,446)
Net cash flows (used in)/from investing activities		<u>7,826,493</u>	<u>(1,608,442)</u>
Cash flows from financing activities			
Net proceeds from issue of shares		375,062	2,906,144
Net cash flows from/(used in) financing activities		<u>375,062</u>	<u>2,906,144</u>
Net increase/(decrease) in cash and cash equivalents held		7,617,204	614,959
Cash and cash equivalents at the beginning of the half year		2,814,510	2,751,544
Cash and cash equivalents at the end of the half year	9	<u>10,431,714</u>	<u>3,366,503</u>

The above Condensed Cash Flow Statement should be read in conjunction with the accompanying notes.

CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 MARCH 2008

CONSOLIDATED	Issued capital \$	Accumulated losses \$	Other reserves \$	Total equity \$
At 1 October 2006	26,695,050	(15,801,109)	2,901,872	13,795,813
Issue of shares	3,092,908	-	-	3,092,908
Cost of share issues	(186,764)	-	-	(186,764)
Cost of share based payments	-	-	235,036	235,036
Net gains on available for sale financial assets	-	-	6,060,967	6,060,967
Loss for the period	-	(991,945)	-	(991,945)
	2,906,144	(991,945)	6,296,003	8,210,202
At 31 March 2007	29,601,194	(16,793,054)	9,197,875	22,006,015

CONSOLIDATED	Issued Capital \$	Accumulated losses \$	Other reserves \$	Total equity \$
At 1 October 2007	30,408,499	(14,654,725)	19,437,209	35,190,983
Issue of shares	2,382,562	-	-	2,382,562
Cost of share issues	-	-	-	-
Cost of share based payments	-	-	1,847,602	1,847,602
Net gains on available for sale financial assets	-	-	7,344,000	7,344,000
Deferred tax on items recognised directly in equity	-	-	264,908	264,908
Transfer of fair value reserve to income	-	-	(8,157,584)	(8,157,584)
Profit /(Loss) for the period	-	4,318,599	-	4,318,599
	2,382,562	4,318,599	1,298,926	8,000,087
At 31 March 2008	32,791,061	(10,336,126)	20,736,135	43,191,070

The above Condensed Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**CONDENSED NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2008**

1. CORPORATE INFORMATION

The financial report of Thundelarra Exploration Ltd (the Company) for the half-year ended 31 March 2008 was authorised for issue in accordance with a resolution of the director's on 3 June 2008. Thundelarra Exploration Ltd is a limited company incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange Ltd.

The nature of the operations and principal activities of the Group are described in the Review of Operations in the Directors' report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

This general-purpose condensed financial report for the half year reporting period ended 31 March 2008 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 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 Company as the full financial report.

The half year financial report should be read in conjunction with the annual Financial Report of the Thundelarra Exploration Ltd for the year ended 30 September 2007 together with any public announcements made by the Company during the half year ended 31 March 2008 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

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.

The half year financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 September 2007.

(b) Changes in accounting policies

Since 1 October 2007, the Group has adopted the following Standards and Interpretations mandatory for annual periods beginning on or after 1 January 2007. Adoption of these standards and Interpretations did not have any effect on the financial performance or position of the Group.

- AASB 7 Financial Instruments: Disclosures
- AASB 2005-10 Amendments to Australian Accounting Standards (AASB 132,101,114,117,133,139,1,4, 1023 and 1038)
- ASB 2007-04 Amendments to Australian Accounting Standards arising from ED 151 and other amendments
- AASB 2007-7 Amendments to Australian Accounting Standards (AASB 1, 2, 4, 5, 107 and 108)

**CONDENSED NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2008**

3. REVENUE, INCOME AND EXPENSES

Profit/(Loss) before income tax has been arrived at after including:-

	Consolidated 31 March 2008 \$	Consolidated 31 March 2007 \$
REVENUE		
Interest revenue	202,926	80,785
Sundry income	11,759	606
Increase in net market value of investments	-	114,153
	<u>214,685</u>	<u>195,544</u>
Proceeds from sale of plant & equipment	3,500	1,950
Cost of plant & equipment sold	(1,264)	(1,701)
Net gain on disposal of plant & equipment	<u>2,236</u>	<u>249</u>
Net gain on disposal of investments comprises:		
Transfer of fair value reserve to income statement	8,157,584	-
Gain on disposal of investments	1,173,566	-
Net gain on disposal of investments	<u>9,331,150</u>	<u>-</u>
Total Revenue	<u>9,548,071</u>	<u>195,793</u>
OTHER EXPENSES		
Depreciation	(43,293)	(35,652)
Exploration expenditure written off	(267,166)	(314,113)
Share based payment expenses	(726,102)	(235,036)
Legal costs	-	(6,574)
Borrowing costs	-	(2,021)
Employee benefits expenses	(491,984)	(211,523)
Other operating expenses	<u>(942,192)</u>	<u>(382,819)</u>
Total Expenses	<u>(2,470,737)</u>	<u>(1,187,738)</u>
Proceeds from sale of investments	9,473,483	-
Cost of investments sold	<u>(142,333)</u>	<u>-</u>
Net Gain on disposal of investments	<u>9,331,150</u>	<u>-</u>

4. EARNINGS PER SHARE

Basic earnings/(loss) (cents per share)	3.88	(0.99)
Diluted earnings/(loss) (cents per share)	3.65	(0.99)
Weighted average number of ordinary shares outstanding during the half year used in the calculation		
▪ Basic earnings per share	111,376,048	99,769,404
▪ Diluted earnings per share	6,872,034	99,769,404

CONDENSED NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2008

5. CONTRIBUTED EQUITY

(a) Issued and paid up capital

	Consolidated 31 March 2008 \$	Consolidated 30 September 2007 \$
Ordinary shares		
Issued and fully paid 113,897,809 (2007: 108,042,150)	<u>32,791,061</u>	<u>30,408,499</u>

(b) Movement in ordinary shares on issue

	Number of Shares	Issue Price \$	Total \$
1/10/2007 Opening Balance	108,042,150		30,408,499
19/10/2007 Issue on exercise of options	192,250	0.19	36,527
30/10/2007 Issue on exercise of options	37,026	0.19	7,035
12/11/2007 Acquisition of tenement	106,383	0.47	50,000
30/11/2007 Acquisition of uranium rights	4,500,000	0.435	1,957,500
26/03/2008 Issue on exercise of options	50,000	0.325	16,250
28/03/2008 Issue on exercise of options	970,000	0.325	315,250
Balance at 31 March 2008	<u>113,897,809</u>		<u>32,791,061</u>

(c) Movement in options on issue

	Number of Options 31 March 2008
(i) Unquoted options exercisable at 32.5 cents, on or before 28 March 2008	
Opening balance	1,095,000
Issued during the half year	-
Exercised during the half year	(1,020,000)
Options lapsed during the half year	<u>(75,000)</u>
Balance at the end of the half year	<u>-</u>

During the half year 1,020,000 options above were exercised raising \$331,500 in contributed equity.

CONDENSED NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2008

5. CONTRIBUTED EQUITY (continued)

(c) Movement in options on issue (continued)

	Number of Options
	31 March 2008
(ii) Unquoted options exercisable at 65.5 cents, on or before 20 November 2007	
Opening balance	11,000,000
Issued during the half year	-
Exercised during the half year	-
Options lapsed during the half year	(11,000,000)
Balance at the end of the half year	<u>-</u>
(iii) Unquoted options exercisable at 67.5 cents, on or before 26 February 2009	
Opening balance	1,970,000
Issued during the half year	-
Exercised during the half year	-
Options lapsed during the half year	-
Balance at the end of the half year	<u>1,970,000</u>
(iv) Unquoted options exercisable at 22 cents, on or before 31 May 2009	
Opening balance	350,000
Issued during the half year	-
Exercised during the half year	-
Options lapsed during the half year	-
Balance at the end of the half year	<u>350,000</u>
(v) Unquoted options exercisable at 40 cents, on or before 12 April 2009	
Opening balance	2,500,000
Issued during the half year	-
Exercised during the half year	-
Options lapsed during the half year	-
Balance at the end of the half year	<u>2,500,000</u>
(vi) Unquoted options exercisable at 55 cents, on or before 28 February 2010	
Opening balance	200,000
Issued during the half year	-
Exercised during the half year	-
Options lapsed during the half year	-
Balance at the end of the half year	<u>200,000</u>

CONDENSED NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2008

5. CONTRIBUTED EQUITY (continued)

(c) Movement in options on issue (continued)

		Number of Options
		31 March 2008
(vii)	Unquoted options exercisable at 50 cents, on or before 28 February 2010	
	Opening balance	1,500,000
	Issued during the half year	-
	Exercised during the half year	-
	Options lapsed during the half year	-
	Balance at the end of the half year	<u>1,500,000</u>
(viii)	Unquoted options exercisable at 50 cents, on or before 31 May 2010	
	Opening balance	1,000,000
	Issued during the half year	-
	Exercised during the half year	-
	Options lapsed during the half year	-
	Balance at the end of the half year	<u>1,000,000</u>
(xi)	Unquoted options exercisable at 68 cents, on or before 31 May 2011	
	Opening balance	1,000,000
	Issued during the half year	-
	Exercised during the half year	-
	Options lapsed during the half year	-
	Balance at the end of the half year	<u>1,000,000</u>
(x)	Unquoted options exercisable at 52 cents, on or before 30 June 2011	
	Opening balance	360,000
	Issued during the half year	-
	Exercised during the half year	-
	Options lapsed during the half year	-
	Balance at the end of the half year	<u>360,000</u>
(xi)	Quoted options exercisable at 19 cents, on or before 30 June 2009	
	Opening balance	12,103,220
	Issued during the half year	-
	Exercised during the half year	(229,276)
	Options lapsed during the half year	-
	Balance at the end of the half year	<u>11,873,944</u>
During the half year 229,276 options above were exercised raising \$43,562 in contributed equity.		

CONDENSED NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2008

5. CONTRIBUTED EQUITY (continued)

(c) Movement in options on issue (continued)

		Number of Options
		31 March 2008
(xii)	Unquoted options exercisable at 45 cents, on or before 30 November 2010	
	Opening balance	-
	Issued during the half year	4,500,000
	Exercised during the half year	-
	Options lapsed during the half year	-
	Balance at the end of the half year	<u>4,500,000</u>
(xiii)	Unquoted options exercisable at 47 cents, on or before 31 December 2011	
	Opening balance	-
	Issued during the half year	350,000
	Exercised during the half year	-
	Options lapsed during the half year	-
	Balance at the end of the half year	<u>350,000</u>
(xiv)	Unquoted options exercisable at 50 cents, on or before 31 December 2013	
	Opening balance	-
	Issued during the half year	4,250,000
	Exercised during the half year	-
	Options lapsed during the half year	-
	Balance at the end of the half year	<u>4,250,000</u>

6. SEGMENT INFORMATION

Thundelarra Exploration Ltd operates within the exploration industry in Australia.

7. SUBSEQUENT EVENTS

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 2008 with the exception of the following matter:

- In May 2008 approval to develop and mine the Copernicus nickel project was granted by the Department of Industry and Resources.

**CONDENSED NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2008**

8. CONTINGENT LIABILITIES

In the opinion of the Directors, there are no contingent liabilities as at 31 March 2008, and none have arisen as at the date of this financial report.

9. CASH AND CASH EQUIVALENTS

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

	Consolidated 31 March 2008 \$	Consolidated 31 March 2007 \$
Cash at bank and in hand	601,944	2,016,509
Short-term deposits	9,899,740	1,436,896
Bank overdraft	(69,970)	(86,902)
	<u>10,431,714</u>	<u>3,366,503</u>

10. SHARE BASED PAYMENTS

The following options were granted during the reporting period:

- (1) In November 2007, 4,500,000 share options were granted to GBS Holdings Pty Ltd pursuant to the Pine Creek Tenements Uranium Exploration Agreement dated 17 September 2007 to acquire 70% joint venture interest and secure the exclusive right to explore for uranium on specific tenements located within the Pine Creek Orogen in the Northern Territory of Australia. The options expire on 30 November 2010. The exercise price of the options is 45 cents. The fair value is estimated at the date of grant using the Black Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model.

Dividend yield (%)	-
Expected volatility (%)	84.25%
Risk-free interest rate (%)	6.67%
Period of option	3 years
Discount for unlisted options	-
Market price at grant date	43.5 cents

The estimated fair value of each option at grant date is 24.9 cents.

- (2) In January 2008, 350,000 share options were granted to employees under the Employee Share Option Plan. The options are exercisable 12 months from the date of grant and expire on 31 December 2011. The exercise price of the options is 47 cents. The fair value is estimated at the date of grant using the Black Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model.

Dividend yield (%)	-
Expected volatility (%)	73.68%
Risk-free interest rate (%)	6.38%
Period of option	3 years
Discount for unlisted options	30%
Market price at grant date	45 cents

The estimated fair value of each option at grant date is 18.4 cents.

**CONDENSED NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2008**

10. SHARE BASED PAYMENTS (continued)

- (3) In February 2008, 4,250,000 share options were granted to directors. The options are exercisable from date of grant and expire on 28 February 2013. The exercise price of the options is 50 cents. The fair value is estimated at the date of grant using the Black Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model.

Dividend yield (%)	-
Expected volatility (%)	77.81%
Risk-free interest rate (%)	6.58%
Period of option	5 years
Discount for unlisted options	30%
Market price at grant date	36 cents

The estimated fair value of each option at grant date is 15.5 cents.

11. RELATED PARTY DISCLOSURES

The following table provides the total amount of transactions that were entered into with related parties for the half year ended 31 March 2008 and 2007:

Related party		Fees charged by related parties \$	Amounts owed to related parties \$
Key management personnel of the Company:			
Ragged Range Mining Pty Ltd	2008	500	-
	2007	8,667	-
REM Pty Ltd	2008	4,091	-
	2007	24,996	4,167

Mr Philip G Crabb is a director and shareholder of Ragged Range Mining Pty Ltd which has provided drilling and exploration services to the Company on normal terms and conditions.

Mr Brian D Richardson is a director and shareholder of REM Pty Ltd which has provided geological services to the Company on normal terms and conditions.

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 consolidated entity are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position as at 31 March 2008 and the performance for the half-year ended on that date of the consolidated entity; and
 - (ii) complying with Accounting Standard 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 3 June 2008.



Brett T Lambert
Director

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF THUNDELARRA EXPLORATION LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Thundelarra Exploration Limited, which comprises the consolidated condensed balance sheet as at 31 March 2008, and the consolidated condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 March 2008 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Thundelarra Exploration Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

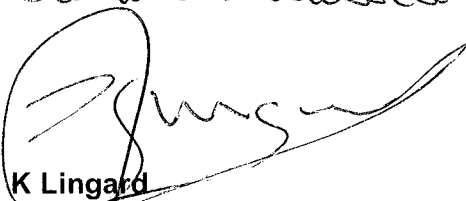
In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Thundelarra Exploration Limited on 3 June 2008.

Conclusion

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 the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 March 2008 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

STANTONS INTERNATIONAL
(Authorised Audit Company)

Stantons International

K Lingard
Director

West Perth, Western Australia
3 June 2008

Stantons International

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3 June 2008

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

Dear Sirs

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 Director for the review of the financial statements of Thundelarra Exploration Limited for the six months ended 31 March 2008, 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)


K Lingard
Director