

**ASX  
ANNOUNCEMENT**

**31 July 2008**

**Thundelarra Exploration Ltd**

ABN 74 950 465 654

ACN 085 782 994

For further information  
regarding Thundelarra  
Exploration Ltd contact:

**Brett Lambert**  
Managing Director

or

**Brian Richardson**  
Director of Exploration

Phone: + 61 8 9321 9680

Fax: + 61 8 9321 9670

**Website:**

[www.thundelarra.com](http://www.thundelarra.com)

**Email:**

[info@thundelarra.com.au](mailto:info@thundelarra.com.au)

**Registered Office:**

Suite 2, Level 3,  
IBM Building  
1060 Hay Street,  
West Perth  
Western Australia 6005

PO Box 7363, Cloisters  
Square Perth Western  
Australia 6850



**THUNDELARRA  
EXPLORATION**

**ACTIVITY & CASHFLOW REPORT FOR THE  
THIRD QUARTER ENDING 30 JUNE 2008**

**HIGHLIGHTS**

**COPERNICUS NICKEL MINE**

- Final statutory approvals received
- Open pit mining commenced
- On schedule for first ore processing in October

**BASE METALS EXPLORATION**

- Drilling at Mabel Hill intersects further nickel sulphide mineralisation – intensity increasing with depth
- Additional broad sulphide drill intercepts at Sophie Downs base metals project
- Drilling at Keller Creek nickel-copper project produces several massive sulphide drill intercepts

**URANIUM EXPLORATION**

- Surface sampling identified high grade uranium at Pine Creek:
  - 2,700 ppm U<sub>3</sub>O<sub>8</sub> at Thunderball Prospect
  - 1,720 ppm U<sub>3</sub>O<sub>8</sub> at Hayes Creek Prospect
- 36 prospects identified within the Pine Creek project
- TEMPEST survey identifies prospective shale sequence and palaeo-channel at Kunderong

**CORPORATE**

- United Minerals Corporation release maiden JORC resource for Railway iron ore project
  - 111.3 Mt at 57.7% Fe including
  - 84.5 Mt at 60.2% Fe of DSO

## **COPERNICUS NICKEL PROJECT (Thundelarra 40%)**

### **BASE METAL EXPLORATION**

#### **Project Development**

All remaining pre-requisites for the commencement of operations were achieved during the quarter enabling open pit mining to commence shortly after period end.

Major contracts for project development were awarded in April. Construction of the 23 kilometre long haul road from the mine-site to Great Northern Highway was awarded to Riverlea Corporation Pty Ltd. Brierty Limited were awarded the open pit mining and ore haulage contracts. Westdrill Pty Ltd are subcontracting to both Riverlea and Brierty for blast hole drilling during haul road construction and open pit mining respectively. Synegex Holdings Pty Ltd has been contracted to supply bulk explosives to the project.

Key supervisory and technical staff have been recruited by project operator, Copernicus Nickel Mines Pty Ltd. Additional accommodation units have been installed at Panoramic Resources' Savannah camp to house the Copernicus workforce. Other infrastructure facilities including water bores and storage dams, power supply, offices and ablutions have been established.

In May the Western Australia Department of Industry and Resources (DoIR) approved the Copernicus Open Pit Mining Proposal enabling full development of the project to commence. Riverlea immediately began mobilising personnel and equipment to site to commence construction of the haul road. At approximately \$3 million the haul road is the single largest capital item for the open pit phase of the project. To date construction has progressed well and it is anticipated that the road will be completed within budget.

Brierty commenced mobilisation to Copernicus in June and began preparation for mining including topsoil removal and stockpiling, internal haul road construction and stockpile establishment. Open pit mining commenced in mid July. Initial excavation rates have fully matched expectations. The first ore is expected to be available in September.

GR Engineering Services Pty Ltd has been engaged to engineer and install a guar plant at the Sally Malay mill. Feasibility study testwork demonstrated that the addition of this reagent during processing of Copernicus ore will improve nickel recovery, concentrate grade and reduce MgO levels in concentrate. Engineering and procurement in preparation for construction of the plant is well advanced with practical completion scheduled for late September. Ore processing is expected to commence on schedule in October.



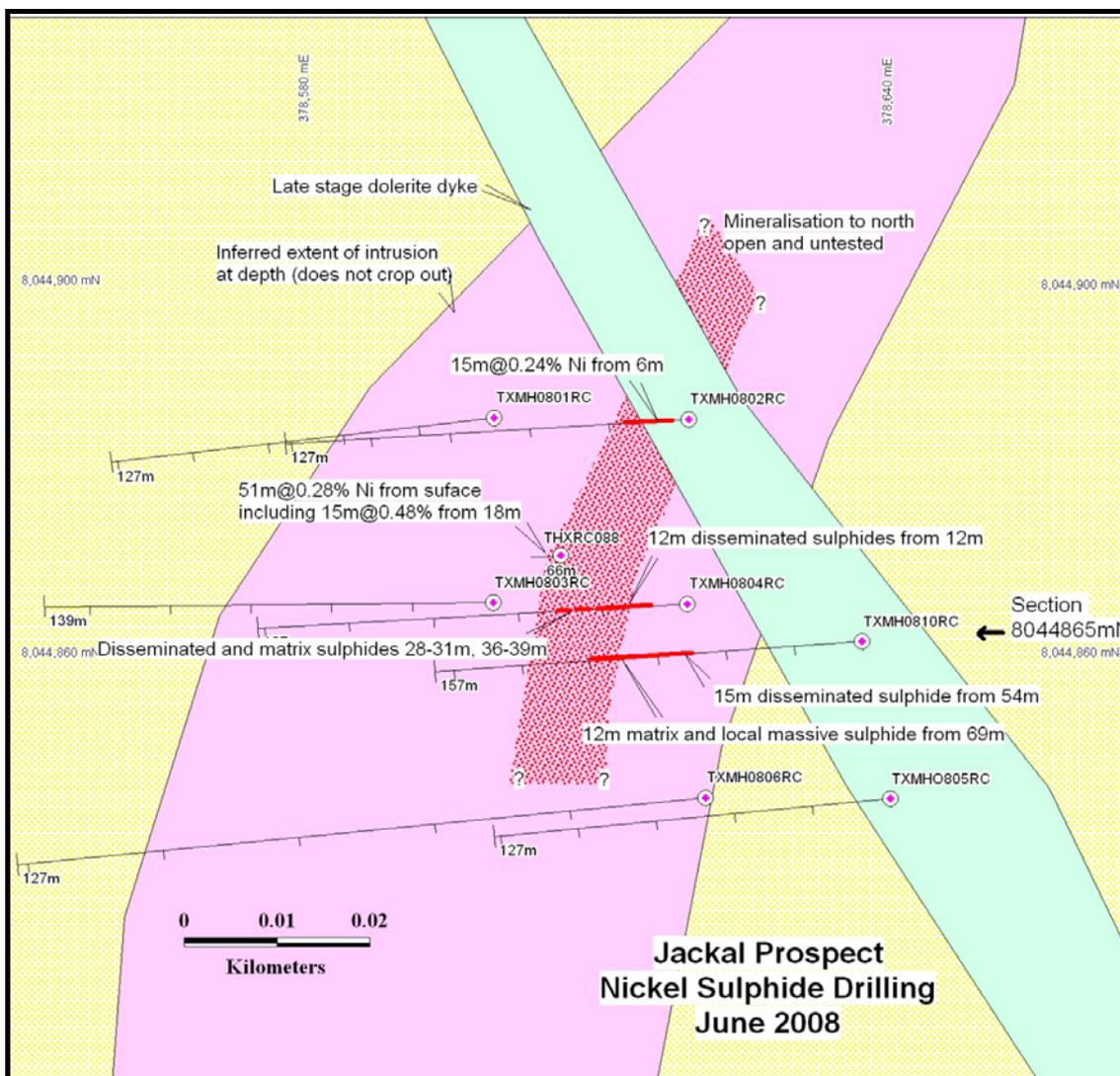
**Open Pit Mining at Copernicus**

## Resource Extension Exploration

Down-hole electromagnetic (DHEM) surveys were carried out from a number of the deeper exploration drill holes at Copernicus. A decision will be made on further exploration once results of the DHEM surveys are available and have been interpreted.

### ***Mabel Hill Nickel Sulphide Project (Thundelarra 80%)***

At the Jackal prospect a total of 7 holes for 931 metres were completed in the vicinity of THXRC088. This drillhole, completed in late 2007 intersected disseminated and net textured sulphide mineralisation hosted within a previously unrecognised portion of the Mabel Hill Igneous Complex. The sulphide mineralisation 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 Jackal prospect has little expression of the intrusion at surface and mineralisation is effectively blind.



**Jackal Prospect Nickel Sulphide Drilling June 2008**

In response to the THXRC088 intercept, a moving loop transient electro-magnetic (MLTEM) geophysical survey was carried out over the Mabel Hill area. This survey identified a discrete anomaly which the Company's consultant geophysicist interpreted to be a conductive body, consistent with a well developed sulphide source, situated below and to the south west of THXRC088.

A program of six reverse circulation holes was drilled to test the interpreted conductor. Two of these holes intersected disseminated sulphides as they passed near the THXRC088 nickel intersection, however none of the holes intersected any conductive source that explained the MLTEM anomaly. A reinterpretation of the MLTEM data suggested the conductor may have been located further to the east than originally thought, such that the six RC holes would have passed above it. A seventh hole (TXMH0810RC) was subsequently drilled from a more easterly position. This hole intersected visible sulphides over 27 metres including a 12 metre strongly mineralised zone at the base of the intersection.

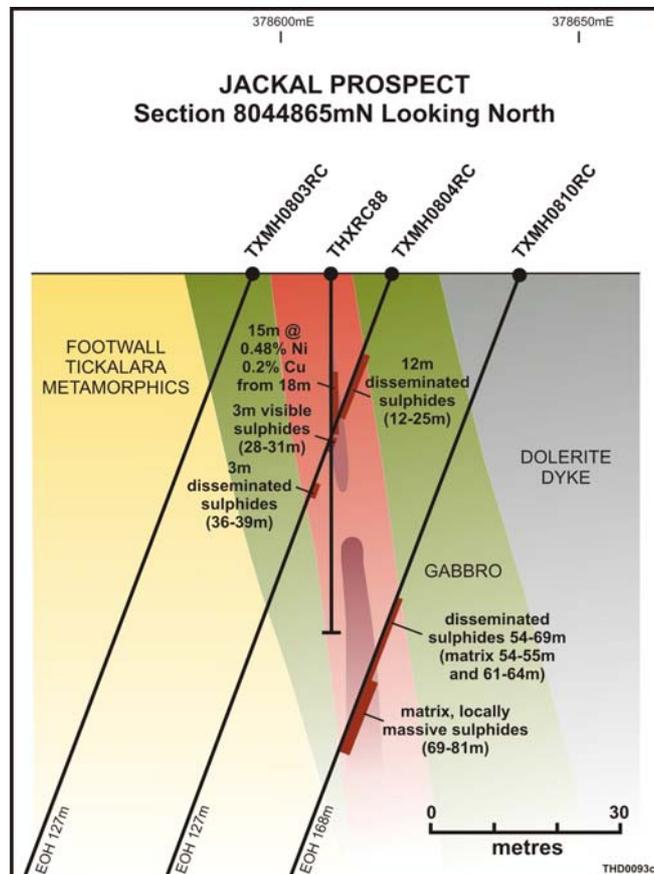
Assay results from all but one of the seven holes are outstanding. Available significant assays and recorded sulphide intersections are tabulated below.

#### Jackal Prospect Reverse Circulation Drilling July 2008

Hole No	North	East	Dip	From-To	Interval	Assay / Description
TXMH0802RC	8044885	378620	-70/266	4-20m	16m	0.23% Ni, 0.12% Cu, 0.014% Co
TXMH0804RC*	8044865	378620	-70/269	12-25m	12m	Disseminated Sulphide
and				28-31m	3m	Disseminated Sulphide
and				36-39m	3m	Disseminated Sulphide
TXMH0810RC*	8044861	378638	-73/265	54-55m	1m	Matrix Sulphides
and				55-69m	3m	Disseminated Sulphides
and				69-81m	12m	Matrix - Locally Massive Sulphides

Note – \* assay results pending

The intersection of additional sulphide mineralisation within the host gabbro – pyroxenite intrusion provides encouraging evidence that nickel mineralisation within THXRC088 extends across a consistent zone. TXMH0810RC suggests that the intensity of mineralisation is strengthening at depth. A cross section across 8044865mN is shown below.



Jacket Project Section

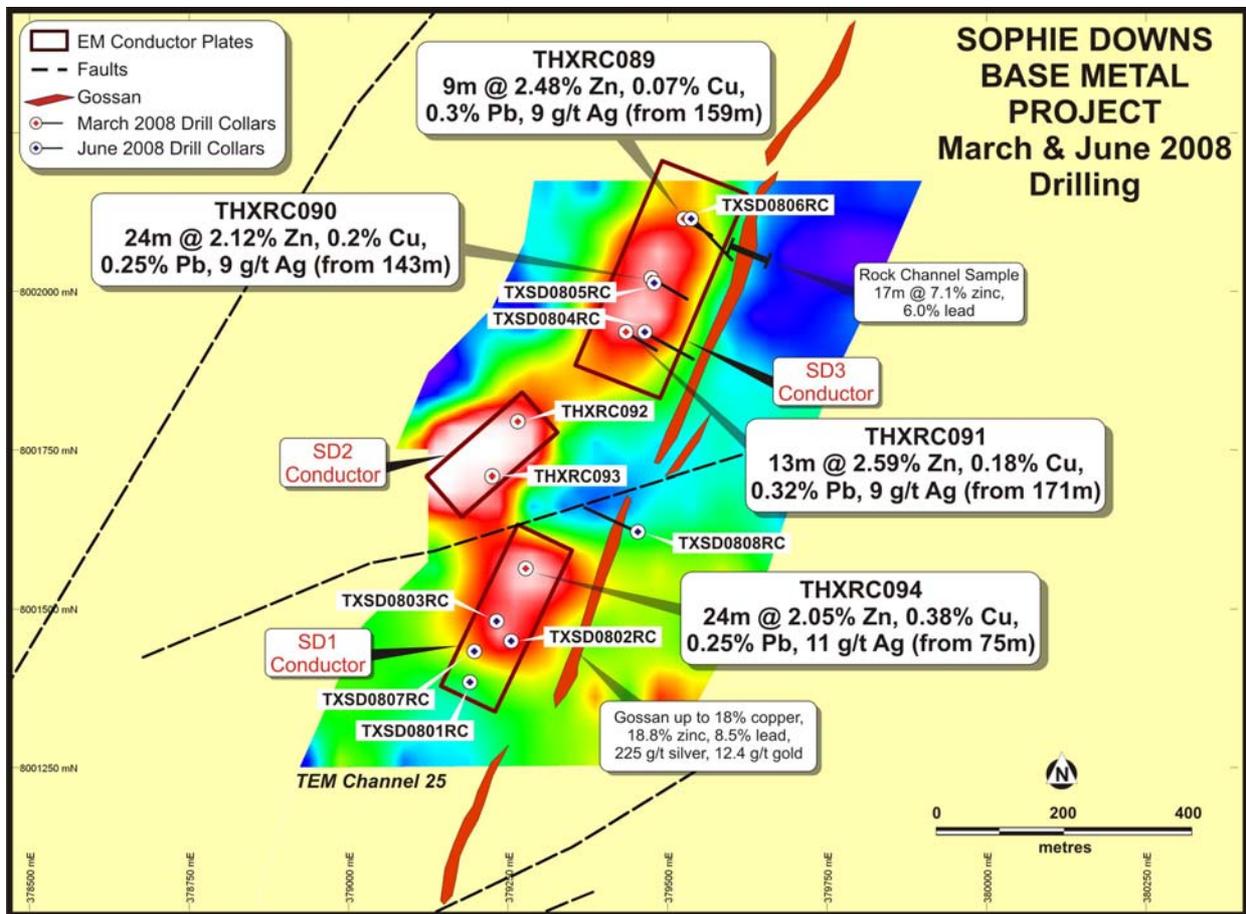
A Down-Hole Electro Magnetic (DHEM) survey is planned to be carried out at Jackal during the current quarter. Results from this work will focus further drilling, both at depth and along strike.

Three RC drillholes completed at the Hyena prospect, 800 metres north of Jackal, intersected graphitic zones in the vicinity of the modelled conductive targets. Assay results are pending.

**Sophie Downs Base Metals Project (Thundelarra 90%)**

The Sophie Downs project is located 27 kilometres north of Halls Creek and secures a number of Volcanogenic Hosted Massive Sulphide ('VHMS') style base metal occurrences. The most advanced is the Ilmars prospect where drilling by Thundelarra earlier this year returned sulphide mineralisation with a best intercept of 24m at 2.05% zinc, 0.38% copper, 0.25% lead and 11g/t silver from 75m in hole THXRC094.

During the quarter nine additional RC drill holes for 1389 metres were completed over the northern and southern portions of the Ilmars prospect and at the VC5 target. Holes were sited to test the southern SD1 Conductor as well as hangingwall mineralisation identified in the March drilling. These hanging wall targets are blind at surface and have not been tested by previous exploration.



**Sophie Downs EM Target Plan**

A number of drillholes intersected sulphide mineralisation as detailed below. Assay results are pending.

### RC Drilling – Sophie Downs Project June 2008

Hole No	North	East	Dip / Azim	From-To	Interval	Description
TXSD0801RC	379183	8001384	-90	88-93m	5m	Visible Sulphides
TXSD0802RC	379263	8001453	-90	47-73m	26m	Visible Sulphides
TXSD0803RC	379229	8001488	-90	111-122m	11m	Visible Sulphides
and				155-163m	8m	Visible Sulphides
TXSD0806RC	379529	8002118	-54/130	100-147m	47m	Visible Sulphides
TXSD0807RC	379195	8001432	-90	110-124m	14m	Visible Sulphides
TXSD0808RC	379450	8001620	-60/297	160-162	2m	Visible Sulphides

Note: co-ordinates in AMG Zone 52 AGD84. Intercepts are visual estimation of total sulphide. Assays pending.

Results provide further evidence that a large mineralised system is present within the Ilmars prospect. On receipt of assay values the prospect can be fully assessed and the scope of further work outlined.

#### ***East Kimberley Regional Nickel Exploration. (Thundelarra 100%)***

Field mapping and sampling has been carried out over a number of regional nickel prospects including the Frank Hill, Edle Creek and Corkwood areas. These tenements, covering approximately 360km sq are located north of Copernicus and to the east of the Sally Malay nickel mine. They secure prospective intrusions that have been newly identified by Thundelarra or have had little past exploration. Results are awaited.

#### ***Rosewood Copper–Silver Project***

The Rosewood project is located 90 kilometres south east of Kununurra and secures some 750 square kilometres of tenure within Western Australia and the Northern Territory. The project covers a large area of the Headley Limestone, a Cambrian aged carbonate sequence overlying the Antrim Plateau Volcanics. The general setting is analogous to the Michigan copper belt in the USA.

Initial reconnaissance by Thundelarra has located disseminated copper oxide mineralisation at the base of the Headley Limestone with selected sampling of vein material returning up to 13.1% copper and 35.5 g/t silver. Field work is currently underway.

#### ***East Kimberley Joint Venture (Thundelarra 40%)***

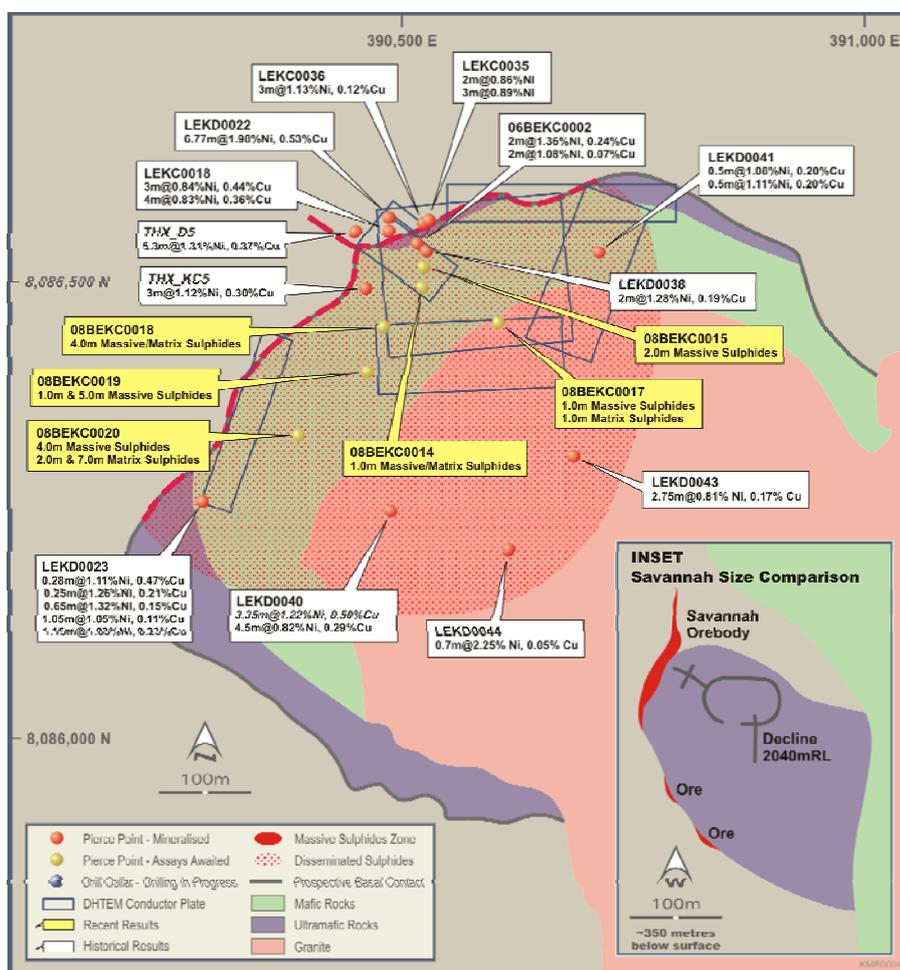
Breakaway are managers of the East Kimberley Breakaway Joint Venture. Work during the quarter included the commissioning of a regional aeromagnetics survey.

An 1,100 metre RC drill program was carried out at the Keller Creek prospect in July. The Keller Creek intrusion is a mafic intrusion with nickel sulphide occurrences within the basal olivine gabbro zone. Best results from past exploration include 6.77m @ 1.98% nickel, 0.56% copper and 0.16% cobalt from 36.8m in drillhole LEKD022. Six out of the seven holes drilled intersected massive to strongly disseminated sulphides.

Sulphide mineralisation has now been intersected at Keller Creek over a strike of 600 metres and at up to 300 metres down dip and remains open in all directions. The mineralised zone at Keller Creek has a larger footprint than both the Copernicus and Savannah deposits, however additional drilling will be required to determine the continuity of individual massive sulphide intersections.

Assays for the latest drilling are yet to be received. Details of logged sulphide intercepts and a drill hole location plan are presented over page. The next phase of exploration will be determined when assay data is available.

Keller Creek RC Drilling July 2008 – Recorded Sulphide Intercepts			
Hole No:	Intercept Depth	Intercept Width	Description
08BEKC0014	49m	1m	massive/matrix and disseminated sulphides
08BEKC0015	71m	2m	massive sulphides
	93m	2m	disseminated sulphides (20-30%)
	98m	3m	disseminated sulphides
08BEKC0017	165m	1m	matrix sulphide (30%)
	166m	1m	semi-massive sulphides
	203m	1m	disseminated sulphides (20%)
08BEKC0018	81m	4m	matrix/massive sulphides
	86m	2m	matrix/massive sulphides
	91m	3m	matrix/massive sulphides
08BEKC0019	109m	1m	massive sulphides
	115m	5m	massive sulphides
08BEKC0020	52m	2m	matrix sulphides
	119m	4m	massive sulphides
	123m	7m	disseminated sulphides (20%)
	130m	2m	matrix sulphides (40%)
	153m	7m	matrix sulphides (40%)



Keller Creek Drill Hole Location Map

***Pyramid Base Metals and Iron Ore Project, West Pilbara (Thundelarra 100%)***

The Pyramid project comprises three tenements covering 468km<sup>2</sup> of the Archaean aged West Pilbara craton. The project is prospective for VHMS style base metal mineralisation and magnetite and haematite iron ore .

During 2007 a VTEM (helicopter borne time domain electro-magnetic) survey and follow up ground geophysics defined a conductive target at the RSE\_VC1 anomaly. The target area has no outcrop but base metal mineralised gossan float indicates potential for VHMS style base metal mineralisation. The anomaly has a distinctive magnetic signature and recent interpretations have identified several additional areas of similar style which have not been tested by VTEM. The prospects are hosted within felsic volcanics that are mineralised along strike at Whim Creek and Balla Balla to the east.

Negotiations are progressing to secure heritage clearance with native title claimants. On completion, drill testing of the RSE\_VC1 anomaly will be carried out.

The Pyramid project also covers several areas of Banded Iron Formation (BIF) of the Cleaverville Formation which are prospective for iron ore. They display a strong magnetic signature in airborne magnetic surveys and comprise magnetite rich BIF with potential for secondary haematite occurrences.

The main Pyramid BIF occurrence crops out in two areas over a 300m strike length. The remaining 4.5 kilometre strike extent is under shallow cover and is inferred from airborne magnetics. The BIF is located within the Scholl Shear Zone and weathering and alteration associated with faulting and the hydrothermal effect of cross cutting dykes makes the BIF prospective for direct shipping grade haematite mineralisation. No prior exploration has evaluated the magnetite or haematite potential of the project.

The Pyramid iron ore project has excellent infrastructure, being adjacent to the sealed North West Highway and 40km to the south east of the Port of Cape Lambert. The Cleaverville Formation BIF is an important host to iron ore in the project region, with the 1.6 billion tonne Cape Lambert magnetite Project located 35km to the North West. To the west of the Pyramid project the Cleaverville BIF comprises the Mt Oscar iron ore project of Fox Resources.

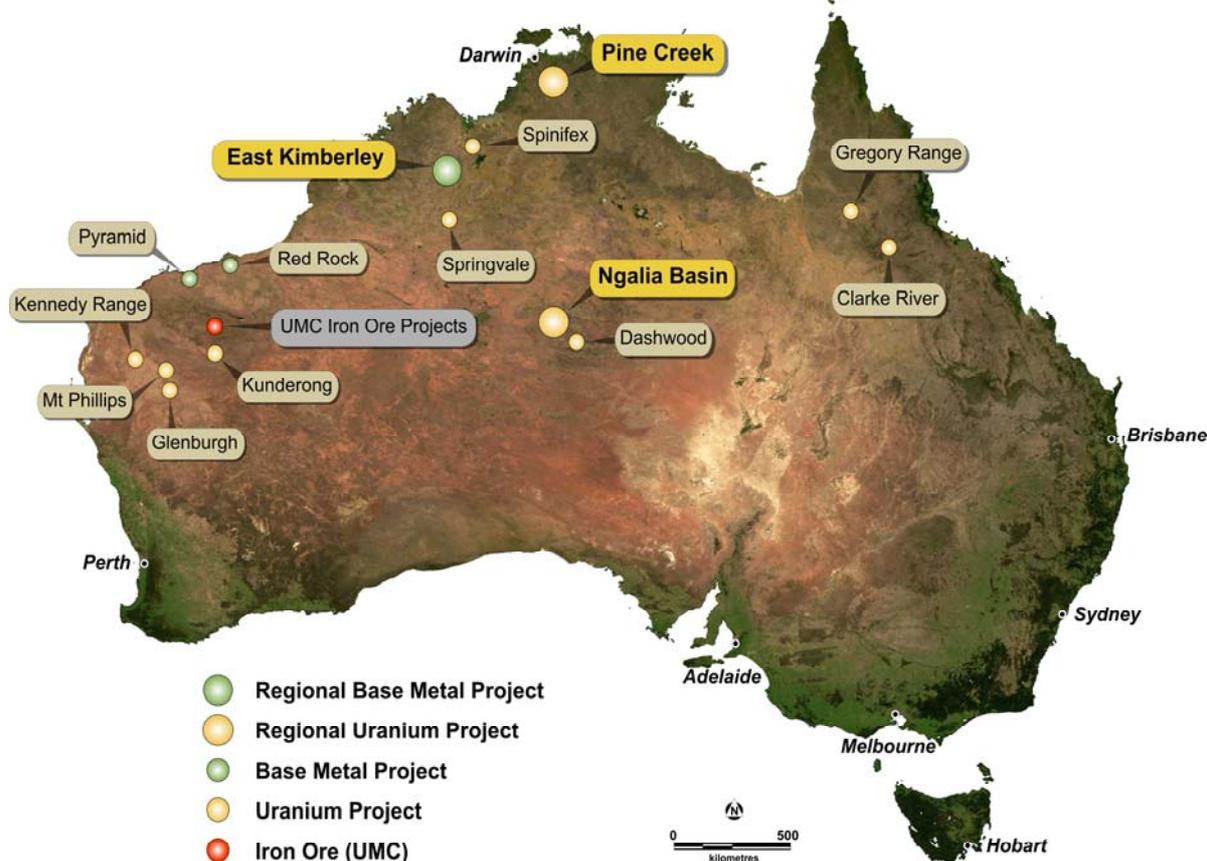
Following receipt of heritage clearance a detailed ground magnetics survey is planned. This will outline prospect areas of best magnetite potential as well as defining structure important for haematite alteration. Drill testing of iron ore potential can then proceed on grant of statutory permits.

***Red Rock Base Metal Project, East Pilbara (Thundelarra 20% free carried)***

The Red Rock project comprises E45/2611 located 60 kilometres to the south of Port Hedland. De Grey Mining Ltd has earned an 80% equity in the tenement with Thundelarra electing to dilute to a 20% equity, free carried to a decision to mine. No exploration was carried out during the quarter.

## URANIUM EXPLORATION

The details of the exploration activities conducted during the June 2008 quarter and planned work programs for the September 2008 quarter are as follows:



## NORTHERN TERRITORY

### ***Fleur de Lys (Thundelarra 70%)***

During the quarter Thundelarra completed a 4 hole reverse circulation drilling program at the Fleur de Lys prospect. The holes were targeted to intersect the down dip extension of surface mineralised shear zones beneath and along strike from the existing mine shafts. Only one hole (08PCRC002) intersected significant radioactivity from 57-58 metres. The mineralisation is associated with hematite alteration along a late stage fracture, post-dating the gold mineralisation in the area. The absence of mineralisation in holes drilled along strike from the intercept indicates the mineralised structure is either north plunging or cross-cutting. Further work is now underway to determine the strike of the mineralisation. Assay results from the drilling are expected to be available in early August 2008.

### ***Thunderball Prospect (Thundelarra 70%)***

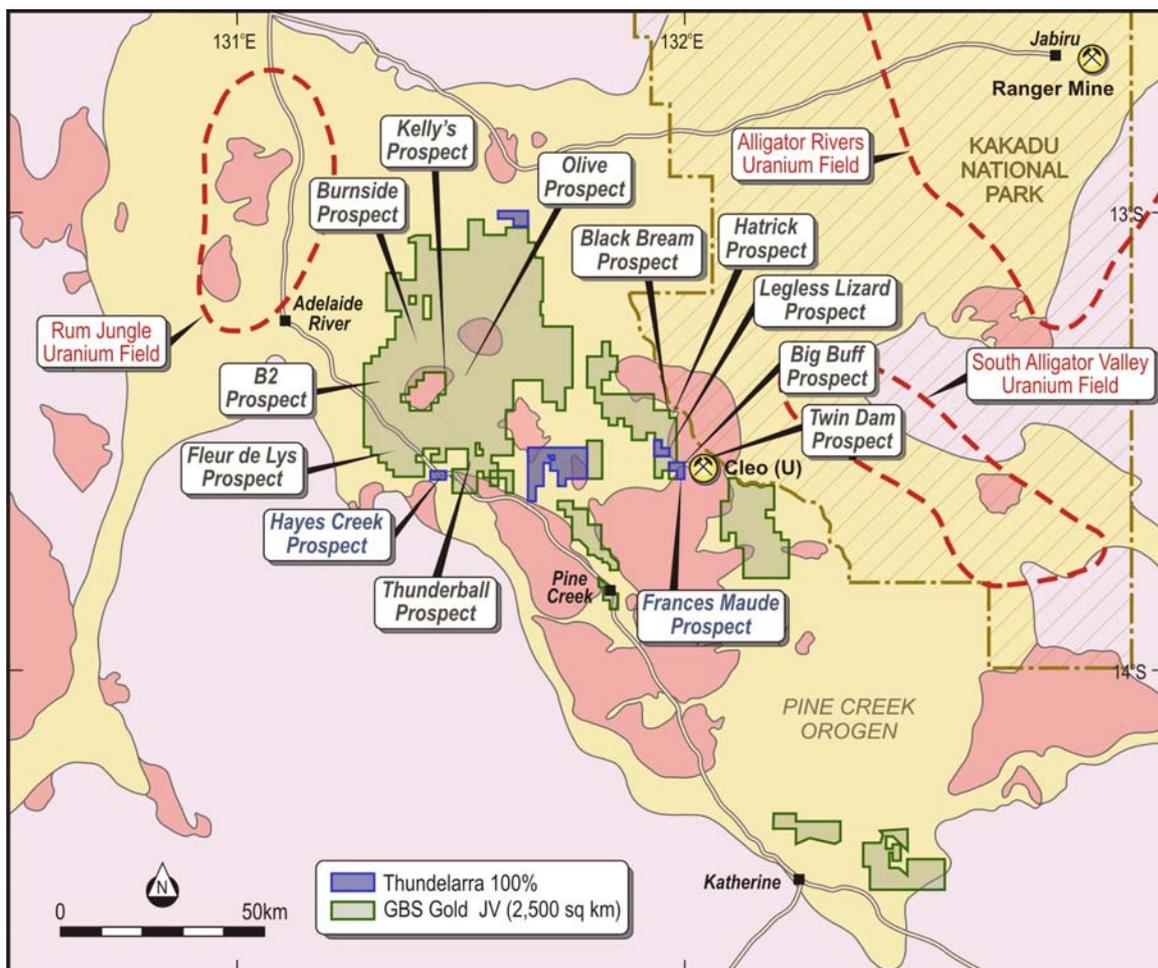
During the quarter a detailed mapping and ground radiometric survey was completed over the newly discovered Thunderball prospect located 20 kilometres east of Fleur de Lys. The prospect was discovered during the systematic ground assessment of priority airborne radiometric anomalies. A sample of carbonaceous shale showing secondary

uranium mineralisation was located in a steep incised valley on the western margin of a strongly defined 300 metre long north-east trending airborne radiometric anomaly.

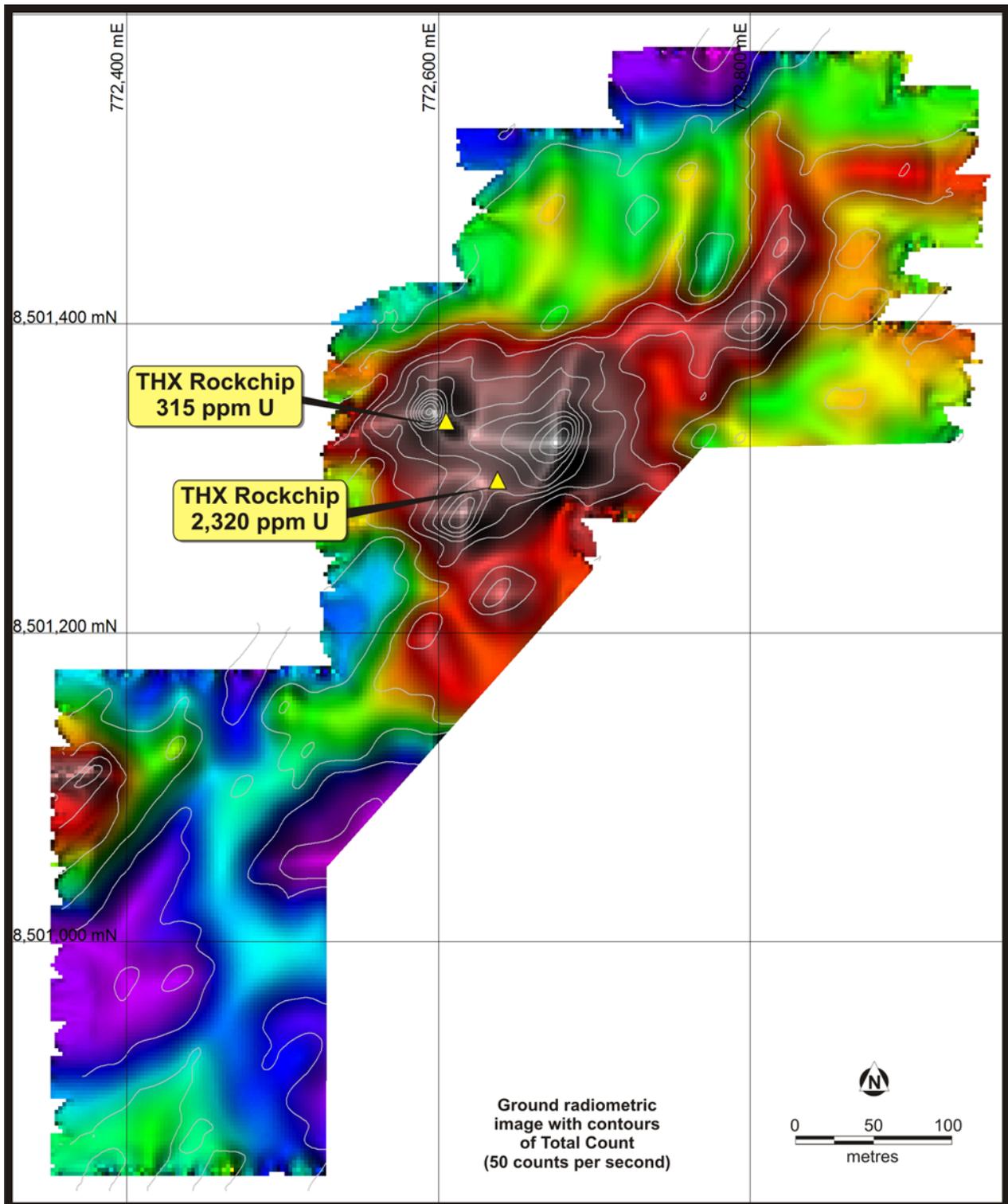
The anomalous float sample in the stream was sourced from a number of bedding-parallel shears in carbonaceous shale outcrop. Rock chip samples from the shears assayed between 40 to 315ppm uranium and significantly the mineralised float sample assayed 2,320 ppm uranium (2,700 ppm  $U_3O_8$ ). The detailed ground radiometric survey clearly defined the 300 metre long north east trending anomalous zone with the major part of the anomaly located on a rubble covered hill slope. This rubble may cover concealed uranium mineralisation.

The combination of a significant regional structural setting, a very strong radiometric anomaly and ore grade assay values in un-lateritised rocks make this one of the most significant prospects identified in the Pine Creek area by Thundelarra to date.

The Fleur de Lys and Thunderball prospects are two of a number of uranium prospects within the Thundelarra-GBS Gold Pine Creek Joint venture project. This joint venture covers approximately 2,500 square kilometres of the highly prospective Pine Creek Orogen. Thundelarra holds a 70% interest in the uranium rights and is manager while GBS Gold retains a 30% equity free carried to completion of a feasibility study. The Pine Creek Orogen is one of the world's great uranium provinces and contains the Alligator Rivers and Rum Jungle Uranium Fields.



**Pine Creek Project Map**



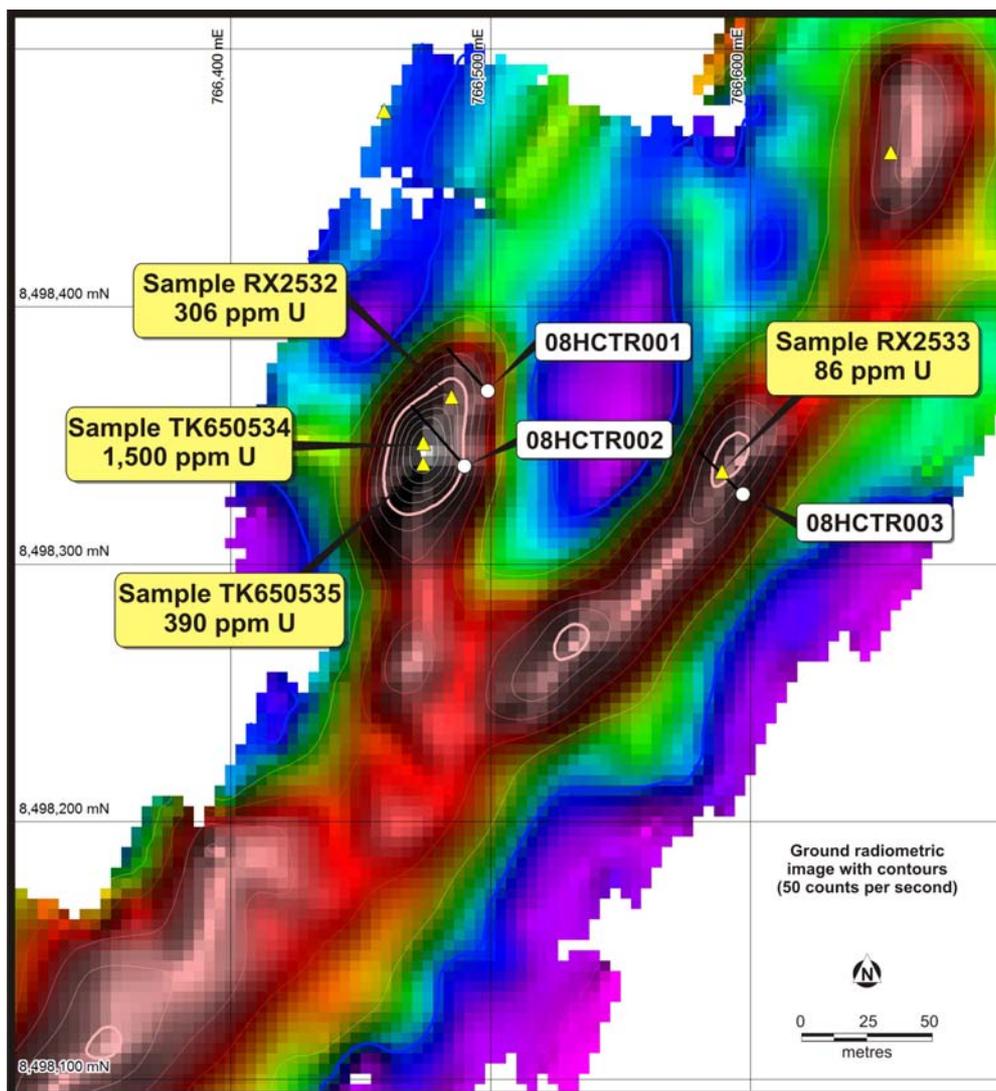
Thunderball Prospect ground radiometric image with anomalous rockchip sample assays

### **Hayes Creek Project (Thundelarra 100%)**

The Hayes Creek project consists of tenement E25553 located approximately 150 kilometres south of Darwin. The tenement secures a high order airborne radiometric anomaly that has a strike of over 1 kilometre on or adjacent to the contact between the sediments of the Mt Bonnie and Burrell Creek Formations. Initial field reconnaissance work conducted by Thundelarra identified a high order ground radiometric anomaly associated with gossanous quartz veins, ferruginous siltstones and an extensive shear zone. A recent rock sample collected from the anomalous zone (Bella Rose prospect) returned an assay of 1,500 ppm uranium (1,720 ppm  $U_3O_8$ ) with associated visible secondary uranium mineralisation.

During the quarter 3 costeans (trenches) were excavated at the Bella Rose prospect to clarify the surface anomalism. Elevated radiometric response was recorded from all 3 costeans consistent with the surface anomalism, but of approximately 2-3 times the magnitude. Radiometric anomalism is associated with moderately dipping ferruginous-manganiferous veining and with quartz veined breccia zones near carbonaceous shale/siltstone contacts. Minor secondary uranium minerals were noted in one costean coating foliation planes adjacent to a quartz vein/breccia zone.

A drilling program is scheduled to commence during the September quarter to test this new uranium occurrence defined by the costeaning program.



**Bella Rose Prospect ground radiometric image with anomalous rock chip assays and costean locations**

***Dashwood Project (Thundelarra 100%)***

The Dashwood project (E25414) is located approximately 250 kilometres north-west of Alice Springs and covers over 1,500 square kilometres. The project is prospective for calcrete hosted surficial uranium mineralisation and redox related uranium within deep Tertiary drainage channels. A source for any secondary uranium within the tenement is the radiometrically anomalous Teapot Granite that outcrops along the southern boundary of the project.

During the quarter exploration was conducted at Dashwood with Thundelarra's initial program designed to locate prospective palaeo channels beneath the extensive blanket of sand cover. A ground penetrating radar (GPR) survey was completed with initial results indicating that this geophysical technique can successfully locate deep channels beneath the masking sand blanket. A hydrogeological study was also completed designed to determine the uranium content of ground waters within palaeo-channels defined by the GPR survey. The water sample results are now all available and will be interpreted and reported on during the September quarter.

***Ngalia Project (Thundelarra 100%)***

The Ngalia project located 300 kilometres north west of Alice Springs consists of 4 tenements, E24561, 25283, 25334 and 25556, covering 1,835 square kilometres of the highly prospective Mt Eclipse Sandstone. This sandstone formation is host to the 23.4 million pound Bigryli uranium deposit located 25 kilometres to the north west of the project area. Historical broad spaced drilling over part of the eastern project area returned a number of highly anomalous intercepts including 0.5 metres @ 5,261 ppm  $U_3O_8$  and 4 metres @ 1,224 ppm  $U_3O_8$  within units of the Mt Eclipse Sandstone.

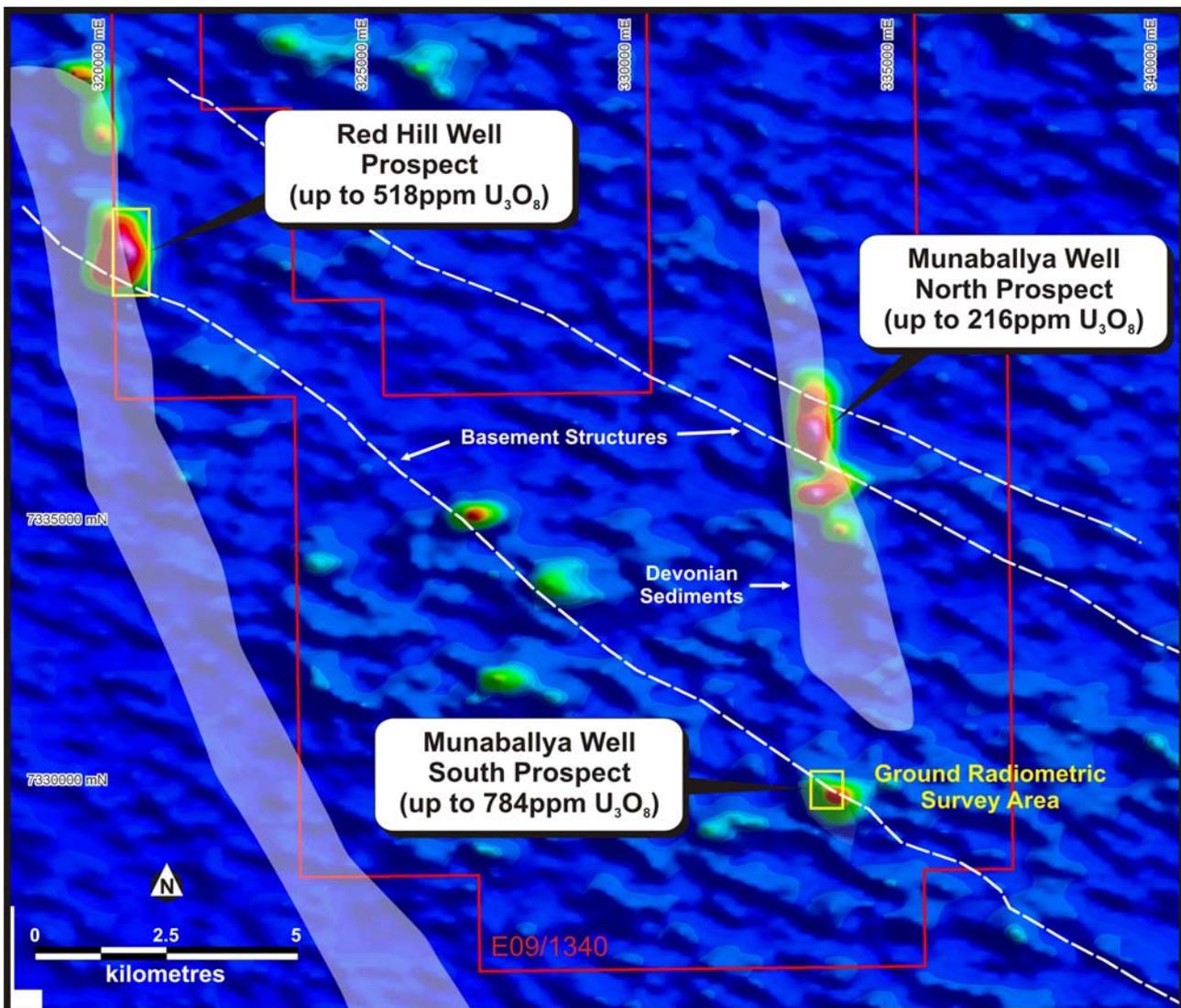
The Ngalia uranium project is an important regional project for Thundelarra and will be a focus for the company's exploration efforts in the second half of 2008 after all tenements are granted. The project is not only prospective for sandstone hosted mineralisation of the Bigryli style but also for secondary uranium mineralisation within the Tertiary palaeo-channels and surficial calcrete deposits. Initial field exploration will involve a helicopter assisted detailed gravity survey over the entire project area. Discussions are continuing with the Central Land Council and the traditional owners of the aboriginal freehold land containing the Ngalia project area.

**WESTERN AUSTRALIA*****Kennedy Range Project – Gascoyne Province (Thundelarra 100%)***

The Kennedy Range project (E09/1340) is located approximately 200 kilometres east north-east of Carnarvon within the Gascoyne Province of Western Australia. The tenement contains three discrete airborne radiometric anomalies associated with two northerly trending narrow strips of fault bounded Devonian sediments.

Field mapping, detailed ground radiometric surveys and interpretation of available airborne radiometric and magnetic data by Thundelarra indicate that the uranium mineralisation may be controlled by several north-west trending post-Devonian structures. These structures, possible reactivated older fault zones, have provided a pathway for the uranium bearing fluids and the carbonate rich Devonian sediments have acted as a good host rock for the uranium.

During the September quarter, after the completion of heritage surveys, Thundelarra will conduct a drilling program to test the three radiometric anomalies and associated structural targets defined by Thundelarra's recent field work.



**Kennedy Range Project – prospect locations**

### ***Kunderong – Ashburton Province***

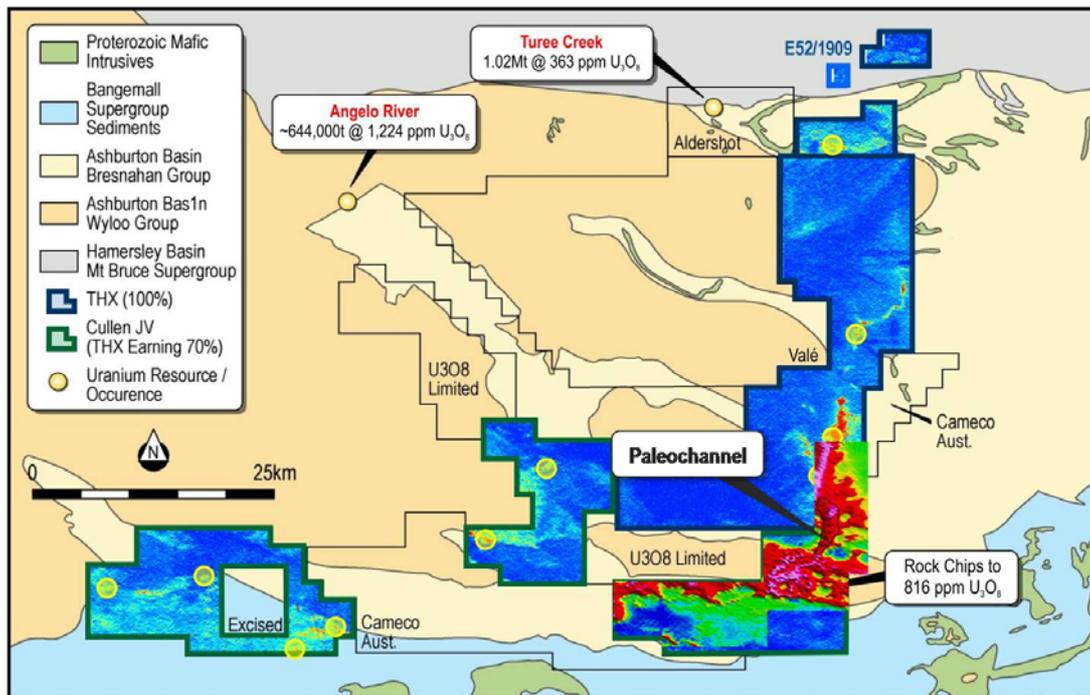
The Kunderong project is located 110 kilometres south east of Paraburdoo and comprises 5 tenements. Two contiguous tenements, E52/1909 and E52/1940 covering an area of 580 square kilometres are wholly owned by Thundelarra. The other three tenements, E52/1890, E52/1891 and E52/1892 are held in joint venture with Cullen Resources Limited (Thundelarra earning 70% by the expenditure of \$1,500,000). The total project area of 1,180 square kilometres contains the highly prospective unconformable contact between the Middle Proterozoic Bresnahan Group rocks and the Lower Proterozoic Wyloo Group. This unconformity and associated areas of faulting are prospective for uranium mineralisation, similar in style to that of the Ranger and Jabiluka deposits in the Alligator Rivers region of the Northern Territory.

The project is also prospective for calcrete and sandstone hosted mineralisation associated with major palaeo-drainage channel systems within the area.

The final data from the TEMPEST digital time domain electromagnetic airborne survey conducted in 2007 was recently received and interpreted by Thundelarra. The survey has very clearly defined;

1. the conductive and prospective east-west trending shale and sediment sequence in the centre of the survey area. Much of the prospective sequence is under transported sand cover and never drill tested by previous explorers.

2. a north south trending palaeo-drainage channel that has in places associated radiometric anomalism defined by a 2007 airborne survey. This channel is largely obscured by transported sand cover and presents as an important target for Thundelarra's initial exploration program on the project.



Native title negotiations have advanced during the quarter and a final agreement is expected to be signed in August allowing the grant of the tenements and the commencement of ground exploration activities during the September quarter.

## QUEENSLAND

### **Gregory Range Project (Thundelarra 100%)**

The Gregory Range project is located 300 kilometres west of Cairns and comprises one granted tenement (EPM15849) covering an area of 184 square kilometres. The main exploration target is intrusive-related uranium mineralisation associated with a number of granitic bodies. Previous exploration by Thundelarra confirmed the anomalous nature of the granitic intrusions with rock samples of the granite returning assays up to 500 ppm  $U_3O_8$ . During the field mapping of the tenement a radiometrically anomalous highly altered felsic volcanoclastic rocks of rhyolitic composition were discovered underlying a thin caprock sequence of Jurassic sediments. Limited sampling of this altered rock returned an assay of over 590ppm  $U_3O_8$  the highest uranium assay ever reported from the prospect area to date.

During the June quarter Thundelarra revisited the Gregory Range project and carried out a systematic uranium assessment program to determine the potential of the volcanoclastic sequence.

A number of new uranium prospects were discovered and importantly secondary uranium was discovered for the first time on the project area. Assay results will be available during the September quarter.

In addition to uranium the Gregory Range project has the potential to host significant base metal and gold mineralisation. Three major targets appear to be present over the project area:

1. collapsed structure/diatreme type with late porphyritic plugs and stocks.
2. breccia-pipe style (Kidston type).
3. polymetallic mineralisation (including uranium) related to the late-stage alkaline granitic dykes.

Preliminary ground assessment of the target areas gave positive indications and a number of rock samples were dispatched to a laboratory in Townsville for analysis.

## **CORPORATE**

### ***Investment in United Minerals Corporation NL***

Thundelarra holds 20.4 million ordinary shares, approximately 14% of issued capital, in United Minerals Corporation NL (UMC). UMC have just released their inaugural resource for their wholly owned Railway iron ore project located in the West Pilbara. At a cut off of 54% Fe, an inferred resource of 84.5 million tonnes of direct shipping ore (DSO) grading 60.2% Fe has been estimated. Details of the full resource are tabulated below.

#### **UMC Railway Iron Ore Project Inferred Resource Estimate July 2008**

	<b>Tonnes</b>	<b>Fe</b>	<b>SiO<sub>2</sub></b>	<b>Al<sub>2</sub>O<sub>3</sub></b>	<b>P</b>	<b>L.O.I.</b>
<b>DSO (54% cut off)</b>	84.5 Mt	60.2%	3.65%	2.46%	0.06%	7.33%
<b>Total Resource</b>	111.3Mt	57.7%	5.13%	3.53%	0.06%	8.06%

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.

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98.

Name of entity

**THUNDELARRA EXPLORATION LTD**

ACN

**085 782 994**

Quarter ended ("current quarter")

**30 JUNE 2008**

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors		
1.2 Payments for		
(a) exploration and evaluation	(595)	(1,622)
(b) development	-	-
(c) production	-	-
(d) administration	(263)	(1,088)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	155	358
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>	<b>(703)</b>	<b>(2,352)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a)prospects	-	-
(b)equity investments	-	(76)
(c) other fixed assets	(78)	(240)
1.9 Proceeds from sale of:		
(a)prospects	-	-
(b)equity investments	-	9,473
(c)other fixed assets	-	4
1.10 Loans to other entities	(491)	(801)
1.11 Loans repaid by other entities	-	-
1.12 Other – Placement of security deposits	(420)	(420)
- Redemption of security deposits	-	2
<b>Net investing cash flows</b>	<b>(989)</b>	<b>7,942</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(1,692)</b>	<b>5,590</b>

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(1,692)	5,590
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	375
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – share issue costs	-	-
	<b>Net financing cash flows</b>	-	375
	<b>Net increase (decrease) in cash held</b>	(1,692)	5,965
1.20	Cash at beginning of quarter/year to date	10,465	2,808
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	8,773	8,773

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	203
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Thundelarra's financial year is from the period 1 October 2007 to 30 September 2008

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Not Applicable

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Not Applicable
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### Financing facilities available

*Add notes as necessary for an understanding of the position.*

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	500
4.2	Development	-
	<b>Total</b>	<b>500</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1	200	532
5.2	8,573	9,933
5.3	-	-
5.4	-	-
	<b>Total: cash at end of quarter (item 1.22)</b>	<b>10,465</b>

## Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	Ord East	E80/3356	100%	Nil
	Dougall Bore	E80/3503	100%	Nil
	Eileen Bore	P80/1563	100%	40%
	Corkwood South	E80/2607	100%	40%
	Corkwood North	E80/2635	100%	40%
	Nortons	E80/2746	100%	40%
	Dave Hill	E80/2748	100%	40%
	Sally Downs West	E80/2749	100%	40%
	Mable Downs	E80/2817	100%	40%
	Mabel West	E80/2824	100%	40%
	Bow River West	E80/2827	100%	40%
	McKenzie Spring	E80/2835	100%	40%
	Frog Hollow	E80/2836	100%	40%
	Fletcher Creek	E80/2865	100%	40%
	Warmun	E80/2866	100%	40%
	Killarney	E80/2867	100%	40%
Keller West	E80/3323	100%	40%	
Lamboos South	E80/3364	13 blocks	7 blocks	
6.2 Interests in mining tenements acquired or increased	Corkwood South	E80/3873	Nil	40%
	Corkwood North	E80/3874	Nil	40%
	Corkwood North	E80/3876	Nil	40%
	Corkwood North	E80/3877	Nil	40%
	Corkwood South	P80/1618	Nil	40%
	Corkwood South	P80/1619	Nil	40%
	Corkwood South	P80/1620	Nil	40%
	Corkwood North	P80/1621	Nil	40%
	Corkwood North	P80/1622	Nil	40%
	Corkwood North	P80/1623	Nil	40%
	Corkwood North	P80/1624	Nil	40%
	Corkwood North	P80/1625	Nil	40%

## Issued and quoted securities at end of current quarter

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities (description)	-	-	-	-
7.2 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-

**Appendix 5B**  
**Mining exploration entity quarterly report**

7.3	<b>+Ordinary securities</b>	113,897,809	113,897,809	-	-
7.4	Changes during quarter				
	(a) Increases through issues	-	-	-	-
		-	-	-	-
		-	-	-	-
	(b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5	<b>+Convertible debt securities</b> <i>(description)</i>	-	-	-	-
7.6	Changes during quarter				
	(a) Increases through issues	-	-	-	-
	(b) Decreases through securities matured, converted	-	-	-	-
7.7	<b>Options</b> <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
		1,970,000	-	\$0.675	26/02/2009
		350,000	-	\$0.220	31/05/2009
		2,500,000	-	\$0.40	12/04/2009
		11,873,944	11,873,944	\$0.19	30/06/2009
		200,000	-	\$0.55	28/02/2010
		1,500,000	-	\$0.50	28/02/2010
		1,000,000	-	\$0.50	31/05/2010
		1,000,000	-	\$0.68	31/05/2011
		360,000	-	\$0.52	30/06/2011
		4,500,000	-	\$0.45	30/11/2010
		350,000	-	\$0.47	31/12/2011
		4,250,000	-	\$0.50	28/02/2013
		400,000	-	\$0.39	03/04/2011
7.8	Issued during quarter	400,000	-	\$0.39	03/04/2011
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	<b>Debentures</b> <i>(totals only)</i>	-	-		
7.12	<b>Unsecured notes</b> <i>(totals only)</i>	-	-		

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4).

**Appendix 5B**  
**Mining exploration entity quarterly report**

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2 This statement does give a true and fair view of the matters disclosed.



Sign here:  
(Director /Company Secretary)

Date: 31 July 2008

Print name: FRANK DE MARTE

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** the issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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