ASX ANNOUNCEMENT

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FOURTH QUARTER ACTIVITY & CASHFLOW REPORT 30 SEPTEMBER 2008

HIGHLIGHTS

COPERNICUS NICKEL MINE

- Primary construction completed
- Open pit mining progressing well
- First ore produced
- Grade control drilling confirms resource model
- Processing to commence in the December quarter

BASE METALS EXPLORATION

- Jackal prospect delivers best nickel intersection outside Copernicus – 12 m at 1.32% Ni, 0.20% Cu & 0.06% Co
- Further drilling at Mabel Hill and Jackal prospects continues to intersect nickel sulphide mineralisation
- Drilling at Sophie Downs intercepts higher grade – 8 metres at 5.6% Zn, 0.23% Cu, 0.78% Pb & 16 g/t Ag
- Significant native copper discovered at Frank Hill
- Assays confirm nickel intercepts at Keller Creek

URANIUM EXPLORATION

- Five prospects within the Pine Creek project area drilled – all produced elevated radioactivity levels
- Strong primary and secondary uranium mineralisation intersected at the Thunderball prospect
- Values of up to 3.25% U_3O_8 returned from rock chip samples at the Gregory Range project

CORPORATE

- UMC report 117 metres at 63% Fe from further drilling at the Railway prospect
- UMC scoping study estimates net present value for Railway at $1.18 to $2.4 billion

COPERNICUS NICKEL MINE (Thundelarra 40%)

Open pit mining commenced at Copernicus in July and progressed well throughout the quarter. Budgeted excavation rates were consistently achieved. By period end the pit floor had reached 350 mRL from a peak natural surface of 375 mRL. A small tonnage of transitional (partially oxidised) ore was mined and stockpiled during the quarter. The exposed ore zone is consistent with the resource model.

Open Pit Mining at Copernicus, October 2008

34 reverse circulation grade control holes totalling 1,821 metres were drilled from the 355 mRL bench to the planned base of the pit at 310 mRL. The deposit was subsequently remodelled in order to more accurately define ore blocks for mining. A comparison of the grade control model with the resource model demonstrated very good correlation with the grade control work indicating a marginally higher ore tonnage and metal content and negligible variation in grade. On this basis there is no requirement to amend the published resource statement.

Construction of the haul road linking the mine site to Great Northern Highway was completed to a high standard. Modifications to the Savannah processing facilities including addition of a guar plant and upgrading of the ore pad and access ramps were completed.

A Section of Copernicus Haul Road with the Mine in the Background

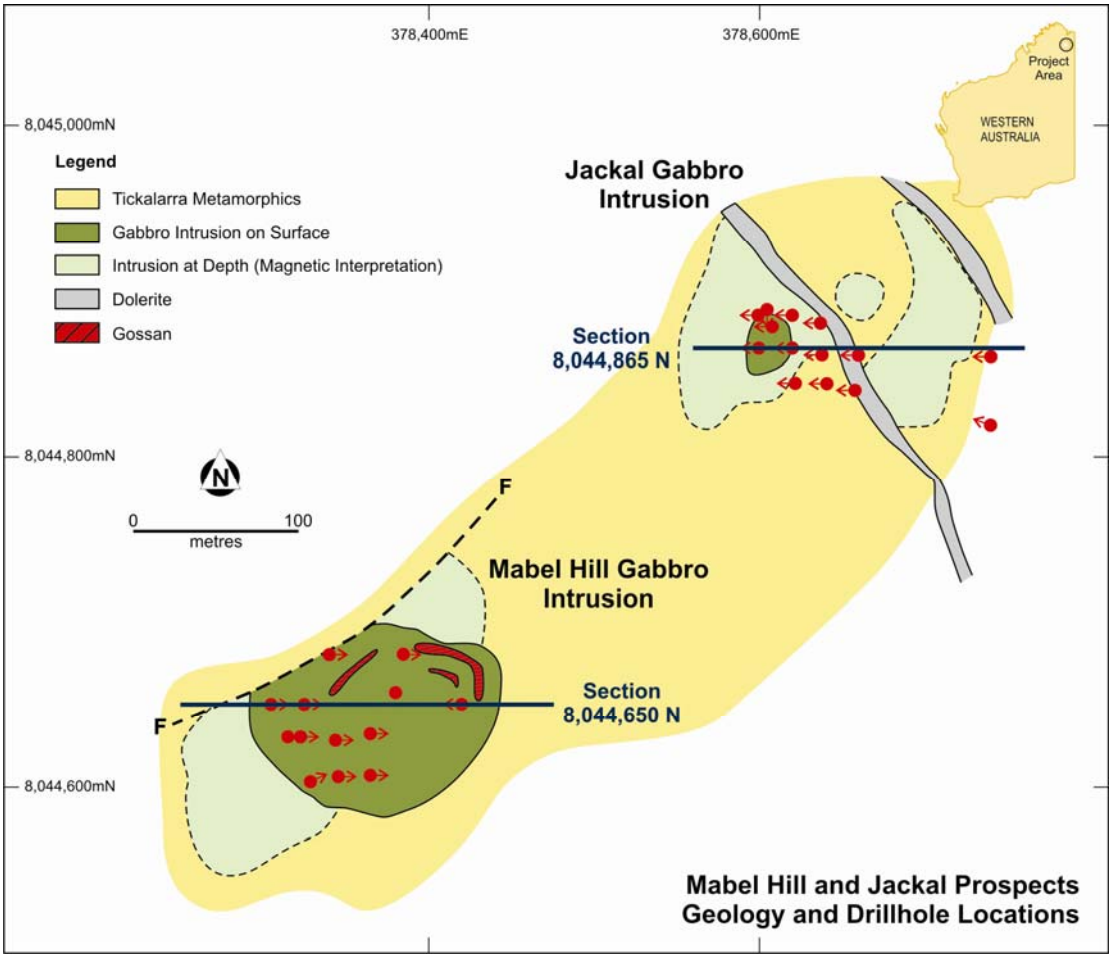
Construction was completed at Copernicus and the mine brought into production without any personnel incurring a lost time injury.

Stockpiling of transitional ore has continued post period end in preparation for the commencement of processing in the December quarter. Transitional ore is expected to achieve lower metallurgical recoveries than fresh (un-oxidised) ore, however experience gained by Panoramic Resources staff processing similar material during the early stages of open pit mining at Savannah will assist in optimising performance. Mining of fresh ore will commence in the current quarter and is scheduled to comprise the bulk of production for the period.

BASE METAL EXPLORATION

Mabel Hill Nickel Sulphide Project (Thundelarra 80%)

The Mabel Hill project area (THX 80%) is situated five kilometres from the Great Northern Highway and approximately 50 kilometres south of the Savannah Nickel Mine. The area has two advanced areas, the Jackal and Mabel Hill prospects where nickel sulphide mineralisation hosted by mafic intrusions has been identified. The area is displayed in the figure below.



Jackal Prospect

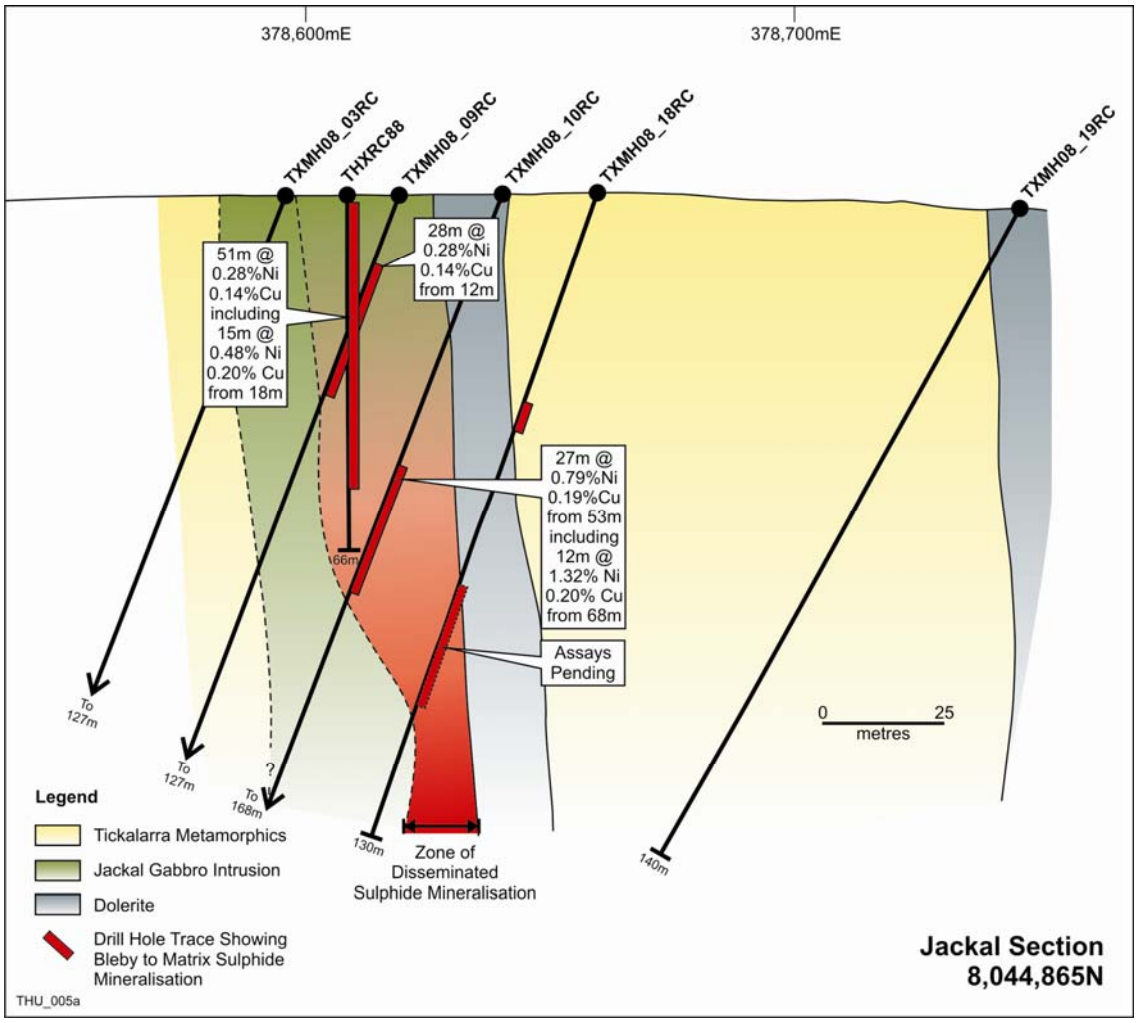
At the northern Jackal prospect a total of 7 reverse circulation holes for 931 metres were completed in July to follow up a vertical hole drilled in late 2007 that intersected 51 metres of nickel mineralisation from surface. Results from the July drilling were received during the current quarter and were announced to the ASX on 18 August 2008.

Results included the Company's most significant nickel sulphide intercept outside of the Copernicus nickel mine to date. Drill hole TXMH08-10RC returned **12 metres at 1.32% nickel, 0.20% copper and 0.06% cobalt** from 68 metres. Selected intercepts are shown below.

Jackal Prospect Reverse Circulation Drill Results

Hole No	North	East	Dip / Azim	From-To	Interval	Ni %	Cu %	Co %
THXRC088*	8044878	378608	-90	0-51m	51m	0.28	0.14	0.015
including				18-33	15m	0.48	0.20	0.024
TXMH0802RC*	8044885	378620	-70/266	4-20m	16m	0.23	0.12	0.014
TXMH0804RC*	8044865	378620	-70/269	12-40m	28m	0.25	0.14	0.015
TXMH0810RC*	8044861	378638	-73/265	53-80m	27m	0.79	0.19	0.038
including				**68-80m**	**12m**	**1.32**	**0.20**	**0.060**
including				**77-80m**	**3m**	**2.03**	**0.22**	**0.090**

Note – * previously reported, Datum is AMG Zone 52 AGD84.



A Down-Hole Electro Magnetic (DHEM) survey has been completed in 6 of the drillholes and results define two off-hole conductive targets marginal to TXMH0810RC and to the north of TXMH0804RC.

A total of 8 additional RC drill holes for 1,121 metres have been completed during October, as follow up to the drillhole intercepts as well as testing the DHEM targets and magnetic anomalies identified from a recently completed detailed ground magnetic survey. A number of holes intersected visible sulphide mineralisation. Visual results are detailed below.

Jackal Prospect Reverse Circulation Drillholes – Assays Pending

Hole No	North	East	Dip/Azim	From-To	Interval	Assay / Description
TXMH0818RC	8044861	378660	-70/267	43-48m	5m	Disseminated Sulphide
TXMH0820RC	8044860	378700	-60/267	107-116m	9m	Disseminated Sulphide
and				141-145m	4m	Disseminated Sulphide
and				151-162	11m	Weak Disseminated Sulphide
TXMH0821RC	8044888	378605	-60/158	24-35m	11m	Disseminated and Matrix Sulphide

Note – Datum is AMG Zone 52 AGD84

Step out drilling from TXMH0810RC intersected intrusive dolerite dykes and fault zones that appear to offset the nickel mineralisation at depth. Mineralisation observed in TXMH0820RC is marginal to the dolerite and may represent leakage from a deeper zone of sulphide mineralisation. A full evaluation of results will be made on receipt of assay results.

Mabel Hill Prospect

The Mabel Hill prospect is located some 300 metres to the south west of Jackal. Thundelarra drilling at Mabel Hill in 2007 identified broad but low grade nickel sulphide mineralisation with a best result of 39 metres @ 0.34% nickel and 0.12% copper from 39 metres in THXRC085.

Downhole EM surveying was carried out over the 2007 drillholes as part of the recent Jackal DHEM survey. The Mabel Hill survey identified 7 off-hole conductive targets which can be broadly assigned into two groups. The first, at approximately 40 metres below surface relate to the targets tested by the 2007 drilling. A second set at 80-100 metres vertical depth represent new targets and have a conductance typical of nickel sulphide mineralisation. The modelled conductive target extends for some 80 metres of strike and is open to the north and south.

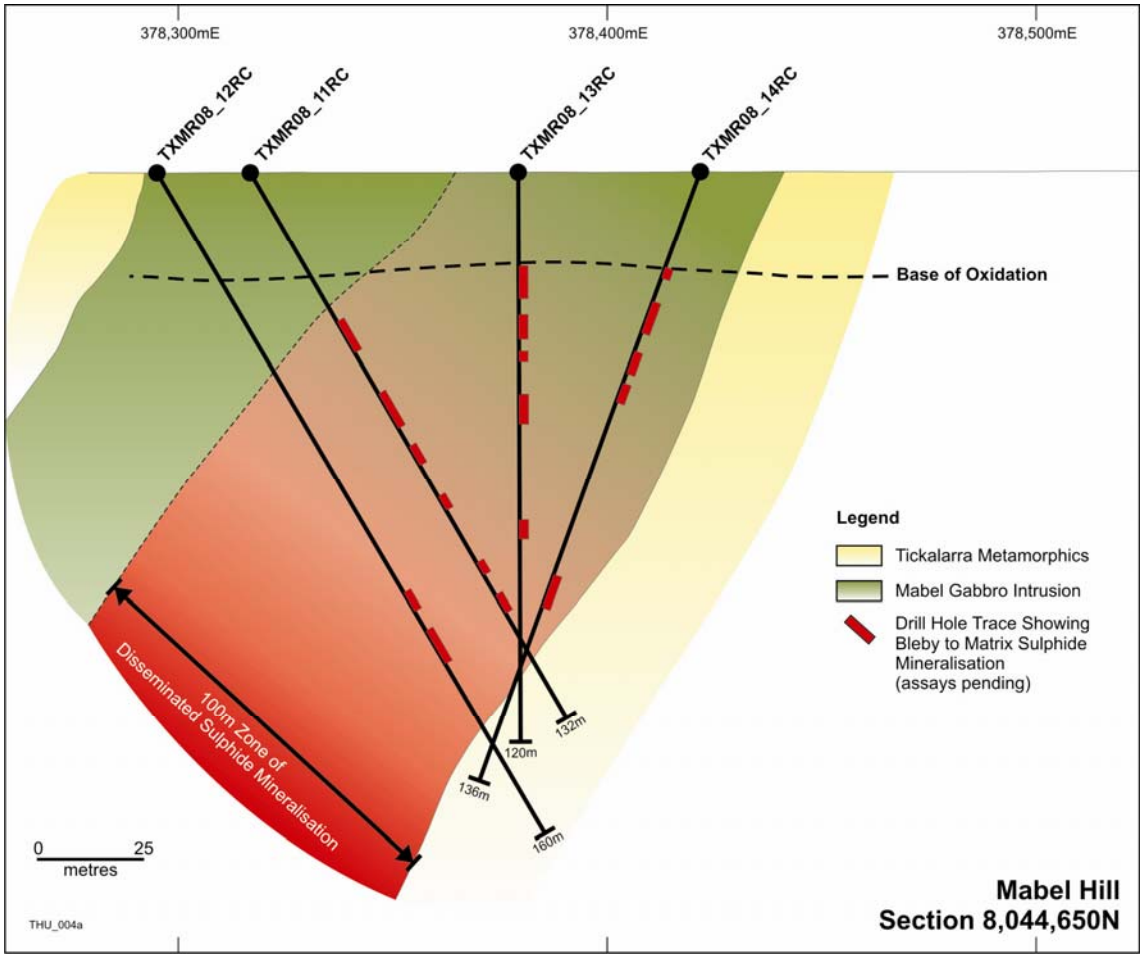
A total of 6 holes for 838 metres have been recently completed to test the deeper DHEM target and confirm the interpreted west dipping geometry of the intrusion. Assay results from all of the six holes are outstanding. Selected zones of visual sulphide mineralisation are tabulated below.

Mabel Hill Prospect Reverse Circulation Drillholes – Assays Pending

Hole No	North	East	Dip/Azim	From-To	Interval	Assay / Description
TXMH0811RC	8044650	378325	-60/087	102-106m	4m	Matrix and Disseminated Sulphide
TXMH0812RC	8044650	378305	-60/087	111-118m	7m	Weak Disseminated Sulphide
TXMH0813RC	8044657	378380	-90	47-53m	6m	Disseminated Sulphide
TXMH0814RC	8044650	378420	-70/267	40-51m	11m	Disseminated Sulphide
and				90-97m	7m	Matrix and Disseminated Sulphide
TXMH0822RC	8044630	378315	-60/087	24-61m	37m	Disseminated Sulphide
and				77-92m	15m	Disseminated Sulphide
and				102-121m	19m	Disseminated Sulphide
TXMH0823RC	8044630	378315	-60/087	42-65m	23m	Disseminated Sulphide

Note – Datum is AMG Zone 52 AGD84

The latest drilling has defined a consistent broad footwall zone of sulphide mineralisation within the host gabbro – pyroxenite intrusion, as shown in the section below.



Results are encouraging evidence that the Mabel Hill intrusion hosts a large nickel sulphide system that remains open along strike and at depth. Recently completed detailed ground magnetics indicates the intrusion is more extensive at depth than previously thought and on receipt of assay data a full evaluation of the prospect and the scope of further drilling will be made.

Sophie Downs Base Metals Project (Thundelarra 90%)

The Sophie Downs project (THX 90%) 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 which has been the focus of Thundelarra drilling this year. During July 2008 nine RC drill holes for 1,389 metres were completed over the northern and southern portions of the Ilmars prospect.

Results from the drilling have been returned and include the Company's best result from the prospect to date – **8 metres at 5.6% zinc, 0.23% copper, 0.78% lead and 16 g/t silver** from 155 metres in hole TXSD08-03RC. Within this is a high grade zinc zone (best result to 12.3% zinc). This intercept is located at the base of an extensive 80 metre zone of sulphide mineralisation. A 2.04% copper assay from 92-93 metres in hole TXSD08-01RC also indicates copper rich zones may be present within the extensive sulphide mineralisation.

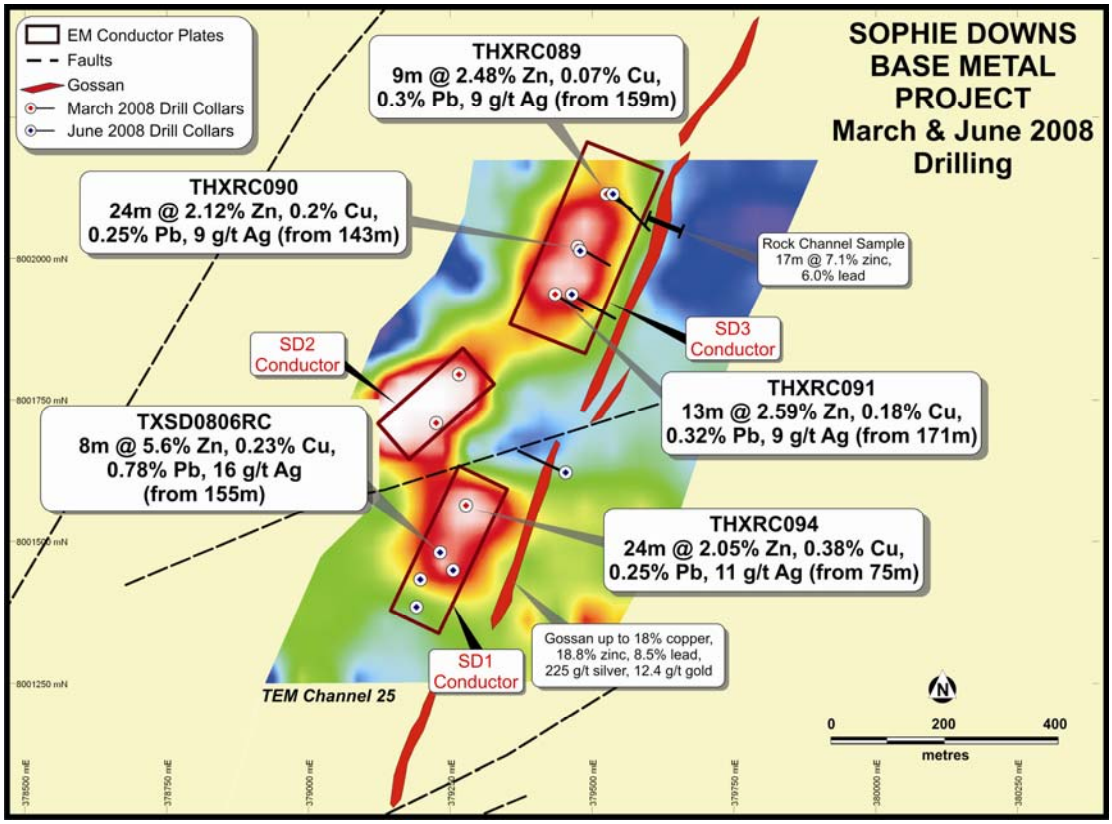
Selected intercepts are tabulated below.

RC Drilling – Sophie Downs Project June 2008

Hole No	North	East	Dip / Azim	From-To	Interval	Description
TXSD0801RC	379183	8001384	-90	92-93	1m	**2.40% Zn, 2.04% Cu, 1.03% Pb, 16g/t Ag**
TXSD0802RC	379263	8001453	-90	62-73m	11m	1.1% Zn, 0.27% Cu, 0.1% Pb, 6g/t Ag
TXSD0803RC	379229	8001488	-90	109-116m	7m	2.06% Zn, 0.54% Cu, 0.39% Pb, 6g/t Ag
and				155-163m	8m	**5.6% Zn, 0.23% Cu, 0.78% Pb, 16g/t Ag**
TXSD0806RC	379529	8002118	-54/130	112-117m	5m	2.85% Zn, 0.08% Cu, 4g/t Ag
TXSD0807RC	379195	8001432	-90	54-55m	1m	1.83% Zn, 0.69% Cu, 10g/t Ag
TXSD0808RC	379450	8001620	-60/297	134-136m	2m	2.350% Zn, 0.15% Cu, 9g/t Ag

Note: co-ordinates in AMG Zone 52 AGD84.

Results are being evaluated prior to planning follow up drilling to target further high grade zinc zones and copper rich portions of the very extensive sulphide mineralisation present within the Ilmars prospect.



East Kimberley Regional Nickel Exploration. (Thundelarra 100%)

Field mapping and sampling has been carried out over a number of regional prospects including the Frank Hill and Lamboo areas. This work was in follow up to earlier exploration that detailed nickel sulphide and base metal mineralisation. Results are detailed below.

Frank Hill Project – Nickel, Copper, Gold and Iron-Ore

The Frank Hill project covers a sequence of geochemically anomalous basalt and ultramafic rocks to the east of the Halls Creek fault.

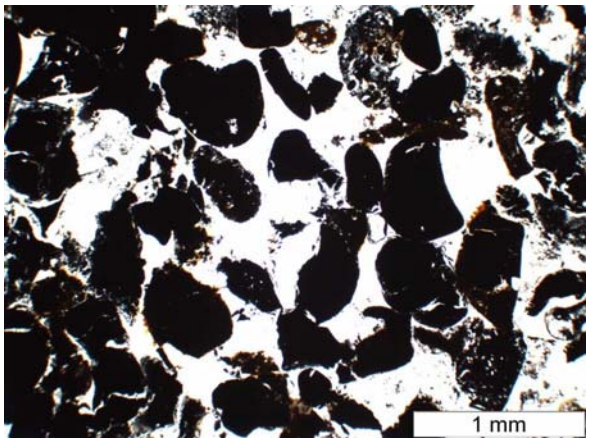
During the quarter geological mapping was carried out to further understand the nature of the intrusive rock package. During this work a number of new mineralised environments have been identified.

In the central tenement sector a sequence of copper anomalous epidote altered basalt flows have been identified. Basaltic rocks with fracture controlled hematitic alteration and chalcocite and malachite staining have been identified at 3 localities and a specimen of native copper approximately 30cm in length discovered. The geological setting, observed alteration and mineralisation are similar to the Keweenawan style native copper and chalcocite dominated ore-bodies in northern Michigan, USA. Further evaluation of the areas is planned and soil sampling has been carried out. Results are awaited.

Native Copper Specimen – Frank Hill

In the southern Frank Hill tenement area reconnaissance of HOISTEM anomalies led to the recognition of epithermal style sinters, jasperoidal alteration and carbonate and quartz stockworks. Veins show cockade and colloform textures (see photograph below) and the system is interpreted as the preserved upper portion of a hydrothermal system. Further field evaluation is planned to better understand this new discovery and identify any gold – copper mineralised portions of the system.

In the central tenement area a sequence of shallow water basalt flows (hyaloclastites) are overlain by hematitic sandstone consisting of iron oxide ooliths and peloids, identical to granular iron formations (GIF) which are important hosts to global iron ore resources. A photograph of the thin section displaying the Frank Hill GIF textures is displayed below.



Thin section photograph, Granular Iron Formation

Epithermal style veining, Frank Hill

Further evaluation of the GIF is underway. Its discovery is an exciting example of the prospectivity of the East Kimberley project area.

Lamboo – Dusty Bore VMS prospect

Evaluation of the Dusty Bore prospect has identified gold-copper-lead mineralisation hosted within weathered clastic sediments and possible porphyry that remains untested by prior exploration. The prospect area has extensive cover and a detailed ground magnetic survey is planned prior to drilling.

East Kimberley Joint Venture (Thundelarra 40%)

Breakaway Resources Ltd are managers of the East Kimberley Joint Venture. Work during the quarter included completion of a large airborne magnetic survey and drilling at Keller Creek during July.

The prospect hosts a system of nickel-copper sulphides within a mafic intrusion that to date has been poorly explored. Previous wide-spaced drilling had generated a number of intersections in the range of one to two percent nickel, including diamond drill hole LEKD0022 which returned 6.77 metres at 1.98% nickel and 0.53% copper from 36.8 metres down hole.

Five of the seven holes from the July RC drilling generated multiple intercepts of nickel mineralisation. Results are tabulated below.

Keller Creek Significant Nickel Sulphide Intercepts (above 0.5% Ni)

Hole Id	Northing	Easting	Azi°	Dip°	From	Width	Ni%	Cu%	Co%
08BEKC0014	8086483	390520	360	-60	49.0	1.0	0.53	0.16	0.05
08BEKC0014	8086483	390520	360	-60	58.0	3.0	0.59	0.22	0.06
08BEKC0014	8086483	390520	360	-60	73.0	1.0	0.78	0.16	0.07
08BEKC0015	8086489	390520	360	-85	69.0	4.0	0.80	0.23	0.10
				Including	71.0	2.0	1.04	0.17	0.12
08BEKC0015	8086489	390520	360	-85	82.0	1.0	0.55	0.21	0.07
08BEKC0015	8086489	390520	360	-85	93.0	8.0	0.72	0.24	0.08
				Including	94.0	2.0	1.00	0.10	0.11
				and	99.0	2.0	1.03	0.18	0.11
08BEKC0016	8086500	390600	0	-90	NSA				
08BEKC0017	8086500	390600	180	-75	129.0	1.0	0.59	0.43	0.05
08BEKC0018	8086451	390480	0	-90	82.0	3.0	0.70	0.30	0.09
08BEKC0018	8086451	390480	0	-90	87.0	1.0	0.92	0.10	0.12
08BEKC0018	8086451	390480	0	-90	91.0	3.0	0.75	0.15	0.10
				Including	91.0	1.0	1.06	0.18	0.13
08BEKC0019	8086400	390450	90	-80	NSA				
08BEKC0020	8086328	390418	270	-75	119.0	4.0	0.78	0.38	0.08

The results confirm the existence of nickel sulphide mineralisation over an extensive area. A geological review is being carried out by the Joint Venture Manager to determine future exploration strategy at Keller Creek.

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

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

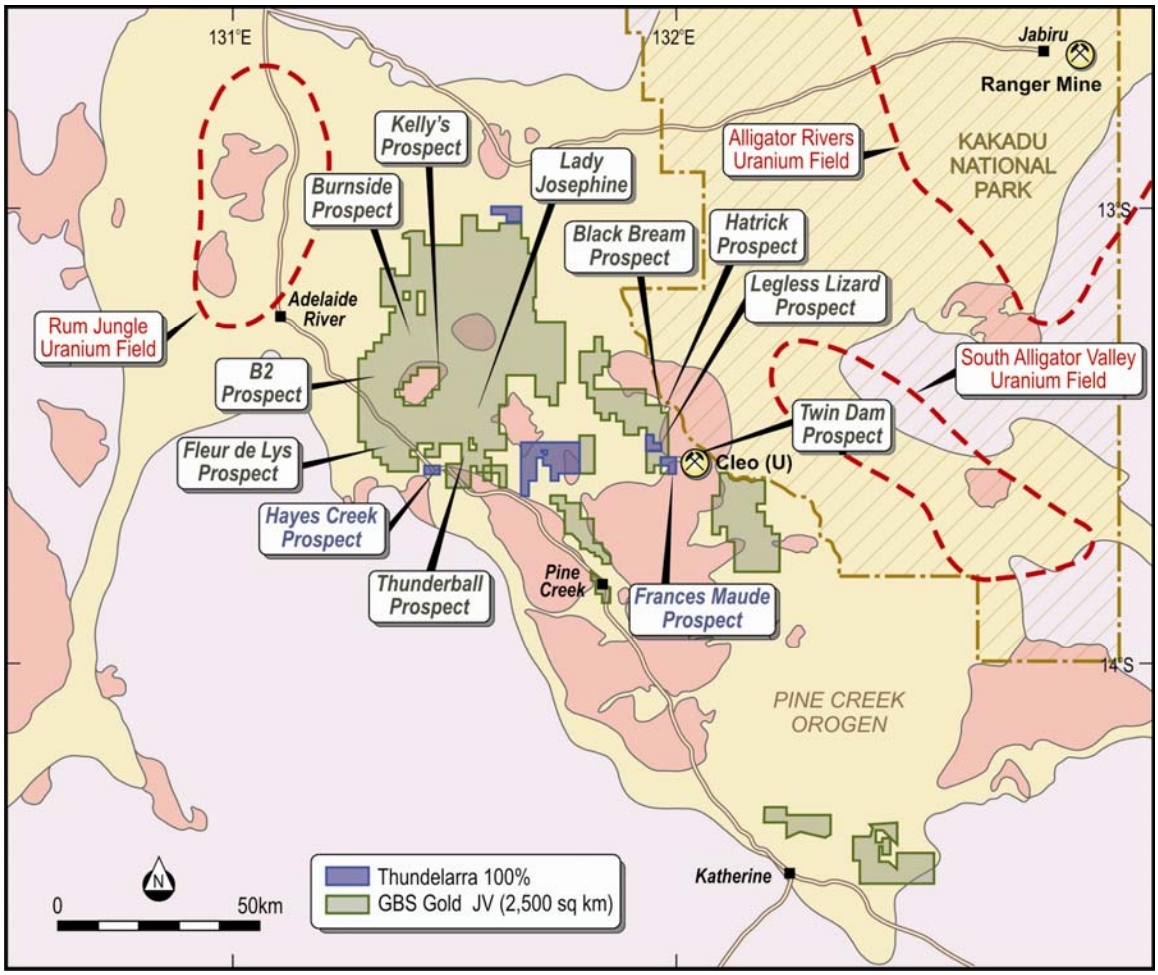
During the quarter a Native Title Heritage Agreement was signed with the Ngarluma Aboriginal Corporation. This agreement allows Thundelarra to commence field exploration activities after the completion of a heritage survey. Work is scheduled to commence in November 2008.

URANIUM EXPLORATION

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

NORTHERN TERRITORY

During the quarter Thundelarra carried out an 18 hole, 1,324 metre RC drilling program to test the Thunderball, Lady Josephine, Bella Rose, Anomaly 136 and Fleur de Lys prospects within the Pine Creek project area. Anomalous radioactivity was intersected at all prospects with primary and secondary uranium mineralisation observed at Thunderball. Drilling is continuing and all assay results are pending.



Thunderball Prospect (Thundelarra 70%)

At Thunderball, 6 RC holes were drilled for 615 metres during September. The holes were drilled on 3 separate sections at 75 metre spacing designed to test the main part of the ground radiometric anomaly.

Three holes were drilled on the central section. Hole 08PCRC019 intersected significant radioactivity between 77 and 85 metres. Mineralisation consists of yellow and green secondary uranium minerals primarily associated with two separate metre-wide shear zones containing greasy, slickensided, chloritic mudstone.

Hole 08PCRC020 was drilled at a steeper angle to test 25 metres down dip from the intercept in hole 019. A chloritic shear zone with significant radioactivity was intersected between 86 and 88 metres with primary uranium mineralisation consisting of fine grained pitchblende observed. A further zone of anomalism was intersected between 102 and 108 metres associated with weak shearing.

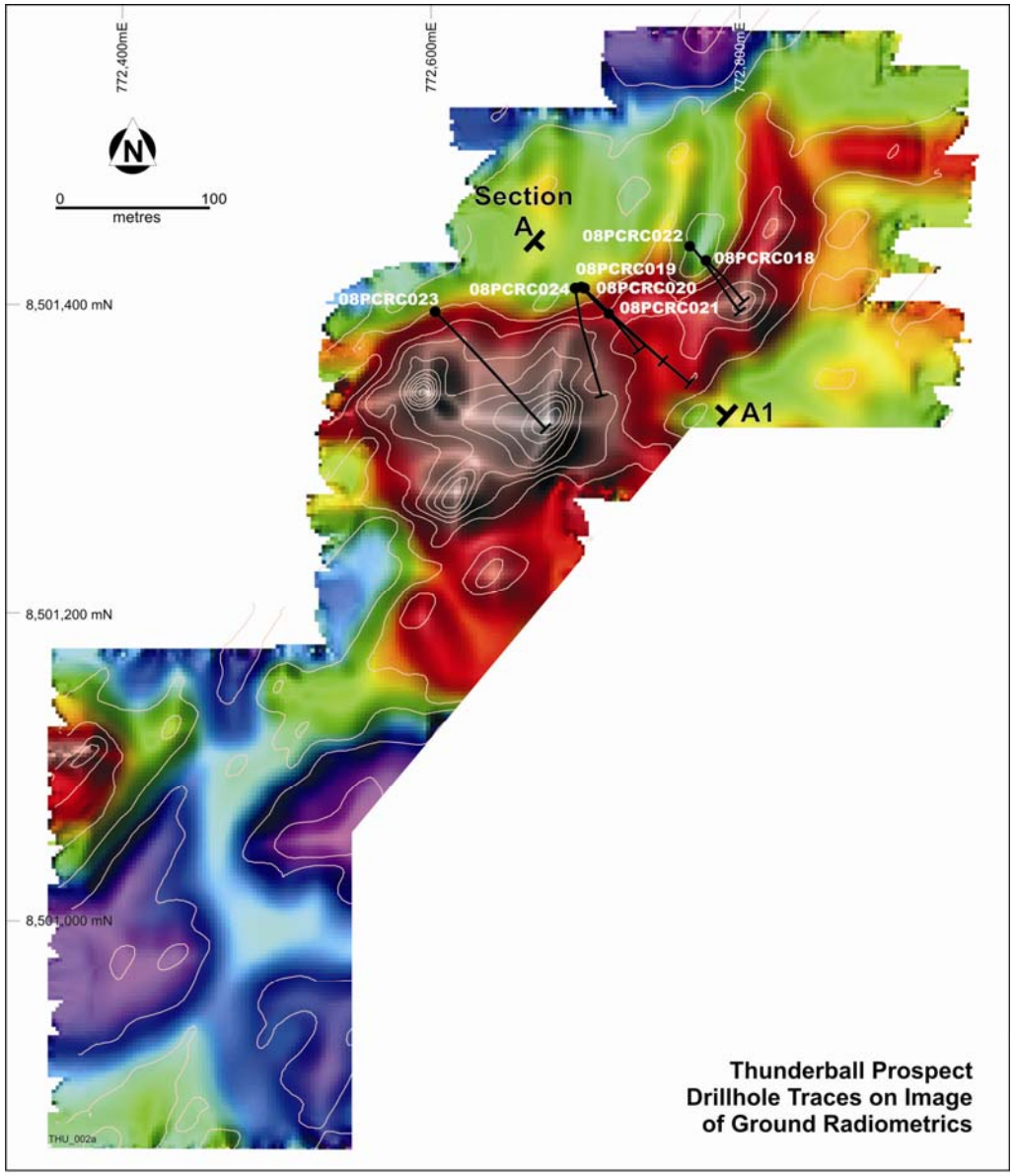
Following the positive results in holes 019 and 020, hole 08PCRC021 was drilled to test 25 metres up-dip from the mineralisation in hole 019. The hole intersected weak radioactivity between 49 and 50 metres and 54 and 55 metres.

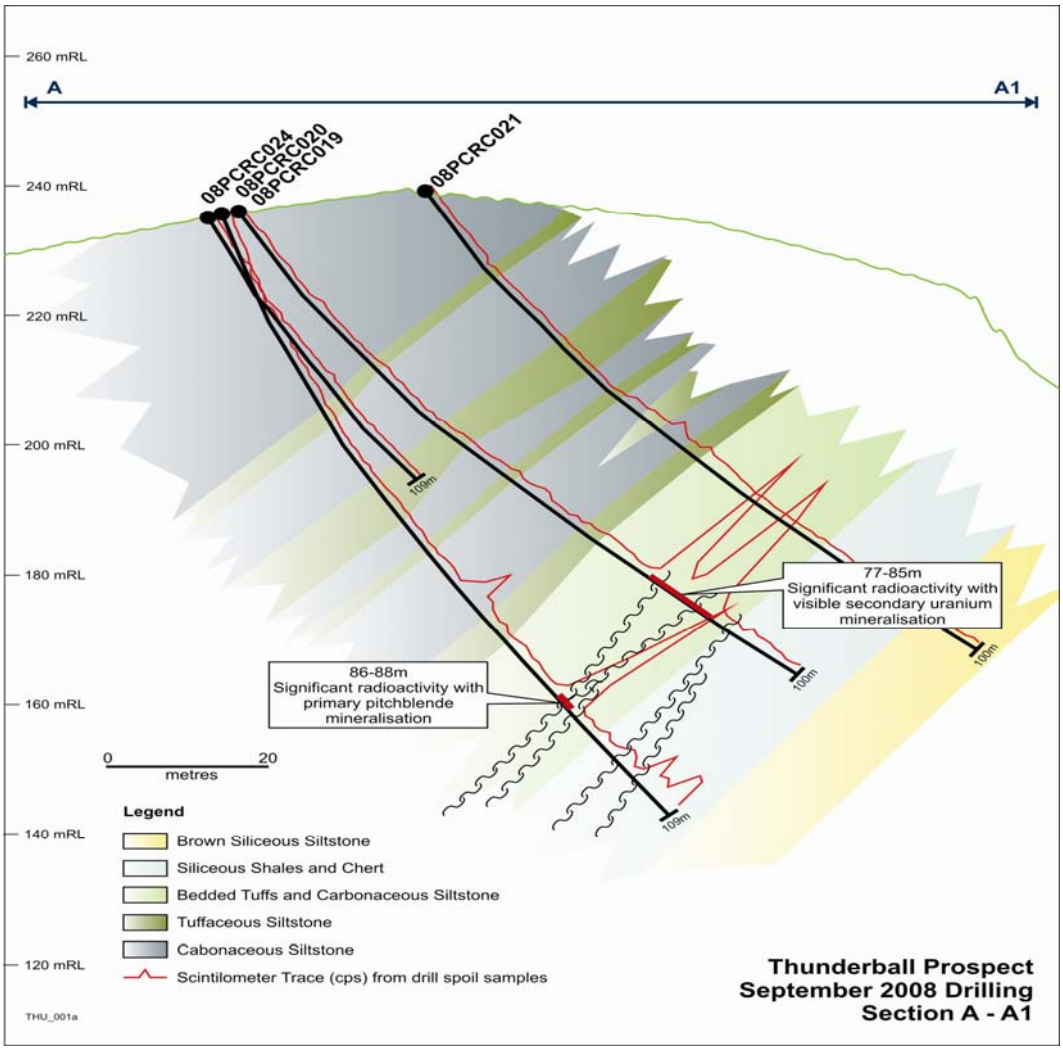
Two holes were drilled on the northern most section. These tested the down dip portion of a 1000 counts per second (cps) spot surface anomaly. Hole 08PCRC018 intersected two separate zones of radioactive anomalism, an upper 9 metre zone of 2-3 x background (800-1350cps) and a lower 6 metre zone of 2 x background (700-1050cps). Hole 08PCRC022 was drilled on the same section to test for increased radioactivity below 018, and intersected a single 5 metre zone of 2x background. The holes intersected a sequence of bedded carbonaceous siltstone, tuffaceous siltstone, greywacke and chert. Radioactivity is associated with a zone of increased fracturing and silicification

Hole 08PCRC023 was drilled on the southern section under the main part of the radiometric anomaly. The hole was drilled to 142 metres without intersecting significant anomalism.

The geology in all holes can be broadly correlated, but individual units are difficult to correlate due to repetitive bedding, different weathering states and alteration overprinting. This makes it difficult to elucidate the structure hosting the mineralisation, but it is still consistent with a stratigraphically controlled shear which is intermittently mineralised along its 1 kilometre strike length.

Drilling and detailed mapping is continuing at the Thunderball prospect with final assay results expected in late November.





Lady Josephine Prospect (Thundelarra 70%)

Four RC holes for a total of 217 metres were drilled at the Lady Josephine prospect. A traverse of three holes (08PCRC014-016) was drilled to test firstly, a surface radiometric anomaly at the Lady Josephine workings and secondly to test a major structure interpreted from regional aeromagnetic data located in an area of alluvial cover. The fourth hole (08PCRC017) was located to test for the southern strike extension of a radiometric anomaly where it disappears under alluvial cover.

Zones of anomalous radioactivity were intersected in holes 08PCRC014 and 08PCRC017. These are associated with zones of chloritic or hematitic jointing in the host tuffaceous siltstones. Maximum values of 2000 cps and 1900 cps were intersected in holes 014 and 017 respectively.

Holes 015 and 016 intersected some zones of shearing, but these are not likely to be the major structure interpreted from the magnetic data, which might lie further to the east. No radioactive anomalism was intersected in these holes.

The results from holes 014 and 017 suggest a uranium mineralised system is present at Lady Josephine. Drilling is continuing at the prospect.

Bella Rose RC drilling (Thundelarra 100%)

A total of 200 metres in three holes were drilled at Bella Rose Prospect (Hayes Creek). The holes were designed to test below anomalous radioactivity intersected in the trenches dug previously.

Hole 08PCRC006 was drilled below trench 08HCTR002. A zone of low level radioactivity (approximately twice background, 600-850cps) was intersected at shallow depth in strongly oxidised quartz veined siltstone. This zone correlates with elevated radioactivity in the trench 15 metres up-dip which peaked at 2700cps. A second zone of radioactivity exposed in the trench was not intersected; this is consistent with the previous interpretation which considered this zone to be superficial.

Hole 08PCRC007 was drilled below trench 08HCTR001. Again the zone of mineralisation exposed in the trench was intersected at relatively shallow depth. While radioactivity in the trench peaks at 1000 cps (2.5 x background), that intersected in the drilling is more elevated at 1650 cps (4x background).

Hole 08PCRC008 was drilled below trench 08HCTR003. This hole intersected a broad zone of radioactivity of 2-3 x background (700-1350cps) in oxidised to partly oxidised siltstones. The apparent thickness of the zone is partly caused by drilling sub-parallel to the dip of the mineralisation. The radioactivity intersected in the drilling is consistent with that in the trench although of lower intensity.

A deeper hole below 08PCRC007 may be warranted to test for a potential zone of enrichment at the base of oxidation.

Anomaly 136 RC Drilling (Thundelarra 70%)

Three holes for a total of 191 metres were drilled at Anomaly 136 to test the source of the ground radiometric anomaly. All holes intersected narrow zones of elevated radioactivity in fractures within a cherty and pyritic member of the Koolpin Formation. This member is expressed at the surface as gossanous ironstone and is the source of the ground radiometric anomaly. The footwall and hanging wall to the cherty ironstone are formed by graphitic schists.

Radioactivity peaked at 2000cps (5x background) over 1 metre interval in hole 08PCRC009.

Fleur de Lys (Thundelarra 70%)

Two holes for a total of 101 metres were drilled at Fleur de Lys to test for cross cutting mineralisation in the vicinity of Shafts 1 and 2.

Hole 08PCRC012 was drilled towards the south, to test for postulated north west or north east structures linking the mineralisation in the abandoned shafts to that intersected in Hole 08PCRC002. Only 1 metre of anomalous radioactivity of 2x background (950cps) was intersected from 21-22 metres.

Hole 08PCRC013 was drilled on the same section as 08PCRC002 to attempt to intersect an up-dip extension of the mineralisation. However, no radioactivity was intersected in this hole, suggesting that mineralisation consist of small possibly moderately north plunging shoots within bedding plane shears.

Pine Creek Project Drill Hole Summary

Hole	East (MGA)	North (MGA)	RL	Azimuth (MGA)	Dip	Depth (m)	
08PCRC006	766464	8498358	218	129	-60	70	Bella Rose
08PCRC007	766482	8498384	218	129	-60	60	Bella Rose
08PCRC008	766598	8498326	202	309	-60	70	Bella Rose
08PCRC009	756632	8499290	130	109	-60	63	Anom136
08PCRC010	756600	8499190	130	109	-60	58	Anom136
08PCRC011	756496	8499005	127	109	-60	70	Anom136
08PCRC012	756102	8503603	135	184	-60	61	Fleur de Lys
08PCRC013	756104	8503616	135	49	-60	40	Fleur de Lys
08PCRC014	773812	8507274	108	304	-60	58	Lady Josephine
08PCRC015	773844	8507250	102	304	-60	61	Lady Josephine
08PCRC016	773882	8507226	100	304	-60	40	Lady Josephine
08PCRC017	773765	8507216	100	304	-60	58	Lady Josephine
08PCRC018	772778	8501428	244	134	-60	61	Thunderball
08PCRC019	772699	8501410	236	134	-59	100	Thunderball
08PCRC020	772697	8501411	236	136	-72	109	Thunderball
08PCRC021	772715	8501394	240	133	-59	100	Thunderball
08PCRC022	772767	8501438	244	134	-72	103	Thunderball
08PCRC023	772602	8501395	216	135	-59	142	Thunderball
08PCRC024	772693	8501410	236	172	-59	109	Thunderball
08PCRC028	772695	8501415	236	103	-60	112	Thunderball
08PCRC029	772550	8501271	235	104	-60	100	Thunderball

Note: All hole coordinates based on GPS position only (MGA), Zone 52

QUEENSLAND

Gregory Range Project (Thundelarra 100%)

Uranium values of up to 3.25% U_3O_8 have been returned from rock chip sampling at the Pandanus prospect in Queensland.

Pandanus is located on EPM15849 within Thundelarra's 100% owned Gregory Range Project, near Georgetown.

Thundelarra has identified a number of pervasive sericite/muscovite/clay alteration zones associated with sporadically exposed microgranitic dykes. Rock chip sample TK651289, from a weathered and ferruginised microgranitic rock returned an assay of 3.25% U_3O_8. Samples TK651287 and TK651288, collected from other granitic dykes nearby, returned assays of 3,737 and 1,085 ppm U_3O_8 respectively.

The uranium mineralisation in these zones has geological and geochemical similarities to the Namibian granite-hosted uranium deposits at Rössing (Rio Tinto) and Goanikontes (Bannerman).

At the Bluff Prospect, on the north-western corner of EPM15849, multiple generations of quartz veins exhibiting epithermal textures within the Idalia Rhyolite have been discovered. Rock chip sample TK651301 returned an assay of 204 g/t (6.5 oz/t) silver, along with elevated gold, antimony, arsenic and sulphur from one of these quartz veins.

A new application (EPM17591 - “Little River”) has been made to secure the ground west of Bluff where coincident arsenic, copper and zinc anomalism from drainage samples has been identified.

Follow-up work at both the Pandanus and Bluff Prospects is underway involving detailed geological mapping, systematic soil and rock-chip sampling and a ground radiometric survey. Initial work at the Pandanus prospect has located additional uranium mineralised microgranitic dykes with significant surface radioactivity and visible secondary uranium mineralisation. At the Bluff prospect the newly discovered epithermal quartz vein system was systematically sampled over a 2 kilometre strike length. All results and assays from the current exploration will be available by early December 2008.

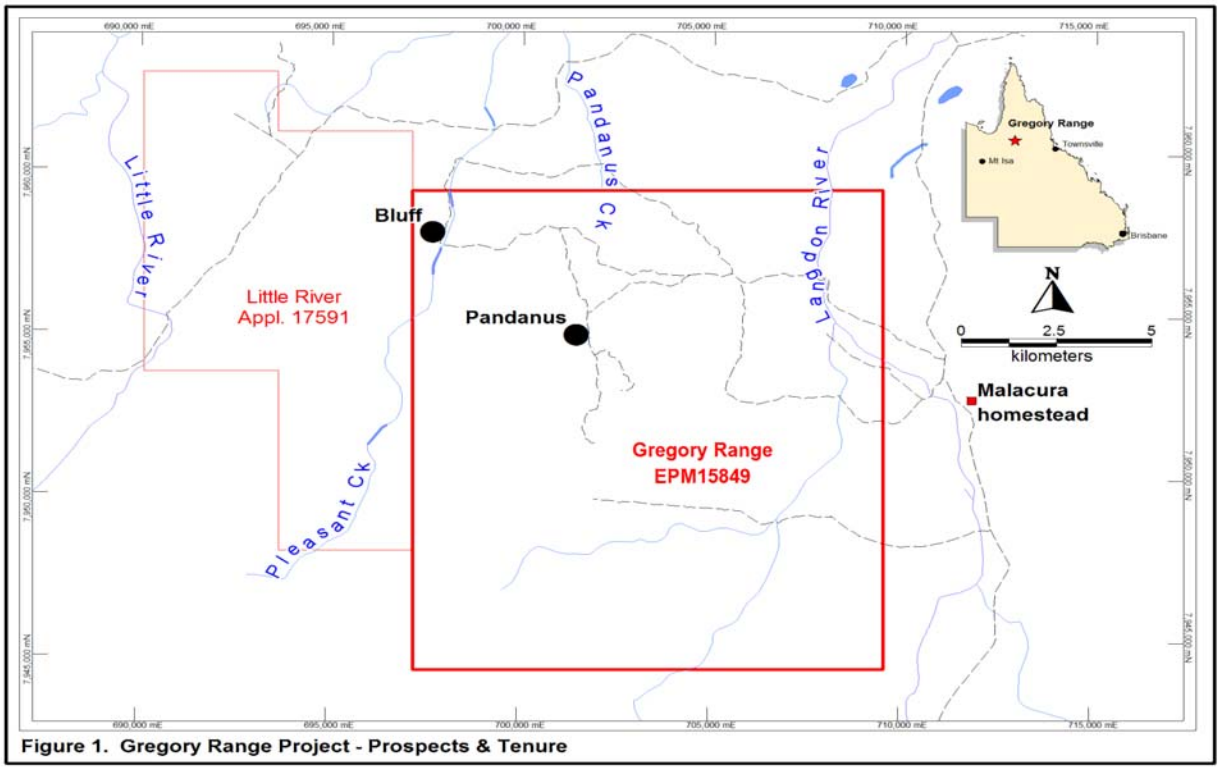


Figure 1. Gregory Range Project - Prospects & Tenure

CORPORATE

Thundelarra holds 20.4 million shares in United Minerals Corporation (UMC), 13.25% of ordinary shares on issue. UMC have defined a direct shipping quality iron ore resource of 84.5 million tonnes grading 60.2% iron within a broader resource of 111.3 million tonnes grading 57.7% iron.

During the quarter UMC continued drilling at the Pilbara Iron Ore project and reported the best drill intersection to date from the Railway prospect – 117 metres grading 63% iron.

Post quarter end UMC released the results of a scoping study on Railway that indicated a net present value for the project of $1.18 to $2.4 billion.

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

Rule 5.3

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	Quarter ended ("current quarter")
085 782 994	**30 SEPTEMBER 2008**

Consolidated statement of cash flows

			Current quarter $A'000	Year to date (12 months) $A'000
	Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors			
1.2	Payments for	(a) exploration and evaluation	(1,782)	(3,404)
		(b) development	-	-
		(c) production	-	-
		(d) administration	(599)	(1,687)
1.3	Dividends received		-	-
1.4	Interest and other items of a similar nature received		189	547
1.5	Interest and other costs of finance paid		(1)	(1)
1.6	Income taxes paid		-	-
1.7	Other – Mine Development		(2,515)	(2,515)
	Net Operating Cash Flows		(4,708)	(7,060)
	Cash flows related to investing activities			
1.8	Payment for purchases of:	(a)prospects	-	-
		(b)equity investments	-	(76)
		(c) other fixed assets	(91)	(331)
1.9	Proceeds from sale of:	(a)prospects	-	-
		(b)equity investments	-	9,473
		(c)other fixed assets	-	4
1.10	Loans to other entities		801	-
1.11	Loans repaid by other entities		-	-
1.12	Other – Placement of security deposits		(16)	(436)
	- Redemption of security deposits		-	2
	- Payment for intangibles		(122)	(122)
	Net investing cash flows		572	8,514
1.13	Total operating and investing cash flows (carried forward)		(4,136)	1,454

1.13	Total operating and investing cash flows (brought forward)	(4,136)	1,454
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	3	378
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	-	-
	Net financing cash flows	3	378
	Net increase (decrease) in cash held	(4,133)	1,832
1.20	Cash at beginning of quarter/year to date	8,773	2,808
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	4,640	4,640

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	266
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

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	600
4.2	Development	1,300
	Total	1.900

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	Cash on hand and at bank	226	200
5.2	Deposits at call	4,414	8,573
5.3	Bank overdraft	-	-
5.4	Other (bank guarantees)	-	-
	Total: cash at end of quarter (item 1.22)	4,640	8,773

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	Clarke River East Clarke River West	EPM15852 EPM15853	100% 100%	Nil Nil
6.2	Interests in mining tenements acquired or increased	Kunderong Corkwood North	E52/1940 E80/3875	100% 40%	Nil Nil

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	-	-	-	-
7.3	+Ordinary securities	113,915,409	113,915,409	-	-
7.4	Changes during quarter				
	(a) Increases through issues	17,600 - -	17,600 -	\$0.19 - -	\$0.19 - -
	(b) Decreases through returns of capital, buy-backs	-	- -	-	-
7.5	+Convertible debt securities (*description)*	-	-	-	-

7.6	Changes during quarter				
	(a) Increases through issues	-	-	-	-
	(b) Decreases through securities matured, converted	-	-	-	-
7.7	Options *(description and conversion factor)*			*Exercise price*	*Expiry date*
		1,970,000	-	$0.675	26/02/2009
		350,000	-	$0.220	31/05/2009
		2,500,000	-	$0.40	12/04/2009
		11,856,344	11,856,344	$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
		440,000	-	$0.52	30/06/2012
7.8	Issued during quarter	440,000	-	$0.52	30/06/2012
7.9	Exercised during quarter	17,600	-	$0.19	30/06/2009
7.10	Expired during quarter	-	-	-	-
7.11	Debentures *(totals only)*	-	-		
7.12	Unsecured notes *(totals only)*	-	-		

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).

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

Sign here: Date: 28 October 2008

(Director /Company Secretary)

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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