

ASX ANNOUNCEMENT

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THUNDELARRA EXPLORATION

EXPLORATION UPDATE – MABEL HILL NICKEL PROJECT, EAST KIMBERLEY

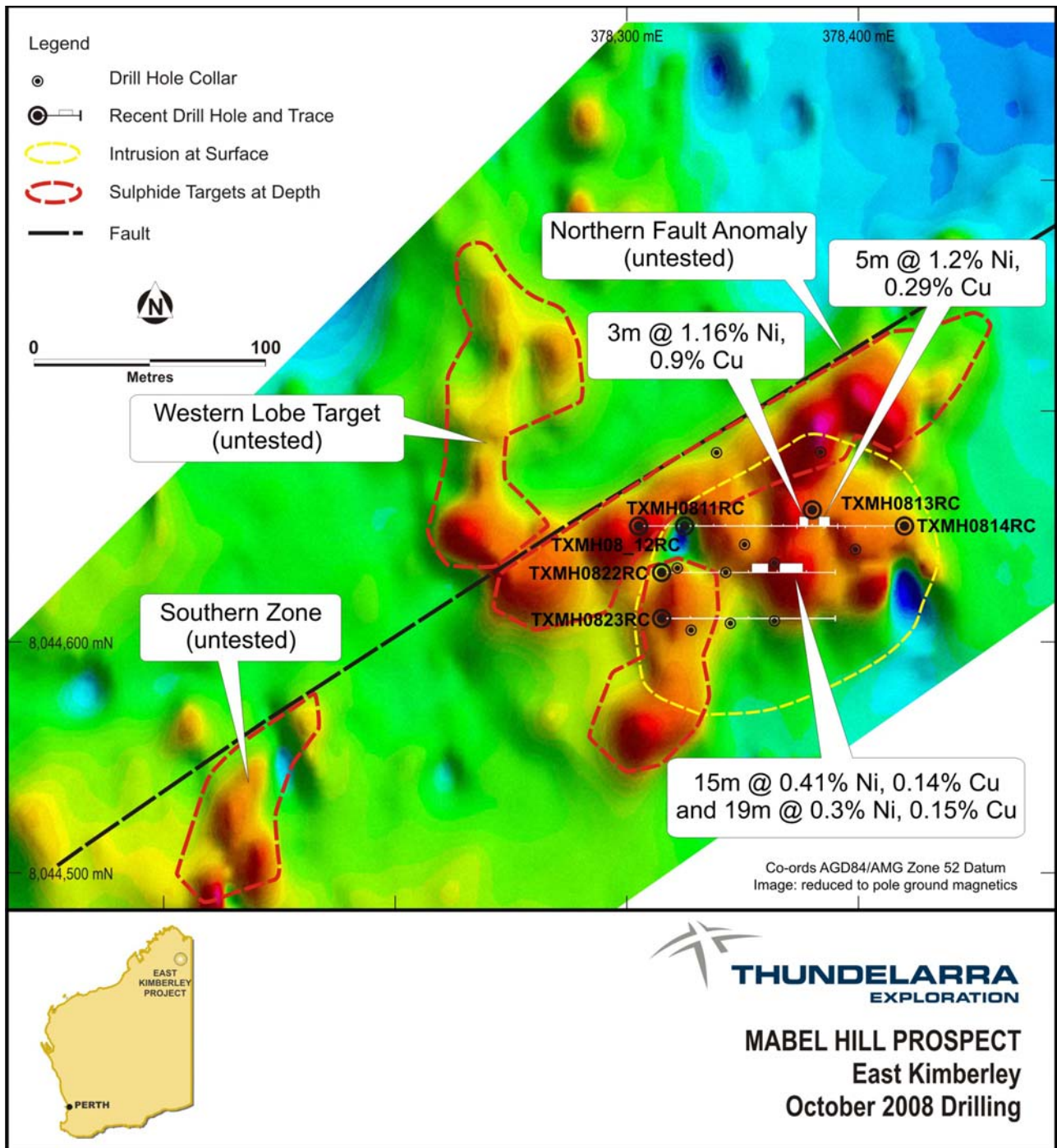
Assay results have been received for the 14 hole, 1,959 metre reverse circulation (RC) drilling program carried out over the Mabel Hill and Jackal prospects in October 2008. The prospects contain steeply plunging pipe-like intrusions, interpreted to be feeder pipes prospective for Voisey's Bay style nickel sulphide mineralisation.

Results identify broad zones of low grade nickel-copper mineralisation with a best result in the Mabel Hill prospect of 5 metres at 1.19% nickel and 0.29% copper from 91 metres depth in drillhole TXMH0814RC. This intercept corresponds to a downhole electro magnetic (DHEM) target identified earlier this year. Full results are tabulated overleaf.

At the Jackal prospect results were disappointing, with the mineralisation discovered earlier this year (including 12 metres at 1.32% nickel, 0.20% copper from 68 metres in TXMH0810RC) thinning at depth due to faulting.

In addition to the recent drilling program, Thundelarra conducted a detailed ground magnetic survey over the Mabel Hill intrusion during September 2008. The results from this survey clearly show strong magnetic anomalies associated with the intrusion. Importantly this magnetic response appears to be directly related to pyrrhotite-pentlandite-chalcopyrite sulphide mineralisation within the generally weakly magnetic gabbroic intrusion. The attached plan of the Mable Hill prospect shows the magnetic anomalies, the outline of the intrusion at surface and recent drilling. The more magnetic and possibly better mineralised parts of the intrusion have not been tested by the shallow drilling to date and are encouraging targets for exploration in 2009.

The details contained in this report that pertains 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.



October 2008 Drill Intercepts, Mabel Hill Prospect

Hole Number	North	East	Dip/Azim	From-To	Interval	Ni %	Cu %	Co ppm
TXMH0811RC	8044650	378325	-60/087	14-24	10m	0.24	0.10	134
and				36-42	6m	0.20	0.08	120
and				53-61	8m	0.17	0.08	106
and				66-70	4m	0.23	0.12	121
and				78-85	7m	0.19	0.07	106
and				94-97	3m	0.20	0.07	120
and				102-108	6m	0.65	0.56	282
including				103-106	3m	1.16	0.91	463
TXMH0812RC	8044650	378305	-60/087	92-93	1m	0.22	0.12	125
and				95-97	2m	0.18	0.08	100
and				102-106	4m	0.14	0.08	80
and				111-112	1m	0.14	0.09	91
and				113-118	5m	0.23	0.08	122
TXMH0813RC	8044657	378380	-90	20-26	6m	0.28	0.29	153
and				31-35	4m	0.26	0.10	138
and				37-40	3m	0.22	0.07	132
and				47-54	7m	0.23	0.10	143
and				73-76	3m	0.68	0.19	308
TXMH0814RC	8044650	378420	-70/267	22-24	2m	0.31	0.10	188
and				32-34	2m	0.30	0.19	183
and				40-44	4m	0.20	0.14	118
and				47-50	3m	0.49	0.30	232
and				91-96	5m	1.19	0.29	491
TXMH0822RC	8044630	378315	-60/087	24-61	37m	0.15	0.07	100
and				77-92	15m	0.41	0.14	206
and				102-121	19m	0.30	0.15	165
and				128-130	2m	0.16	0.05	113
TXMH0823RC	8044630	378315	-60/087	19-25	6m	0.17	0.07	109
and				28-35	7m	0.14	0.06	105
and				42-64	22m	0.27	0.11	180
and				85-87	2m	0.10	0.06	73

Note: Datum is AMG Zone 52 AGD84. Intercepts calculated using a 0.1% nickel lower cut and 1m internal dilution.

October 2008 Drill Intercepts, Jackal Prospect

Hole Number	North	East	Dip/Azim	From-To	Interval	Ni %	Cu %	Co ppm
TXMH0815RC	8044840	378658	-70/267	No significant results				
TXMH0816RC	8044860	378660	-70/267	No significant results, hole abandoned at 91m				
TXMH0817RC	8044880	378637	-70/267	No significant results				
TXMH0818RC	8044861	378660	-65/267	44-48	4m	0.20	0.30	148
TXMH0819RC	8044860	378740	-60/267	No significant results				
TXMH0820RC	8044860	378700	-60/267	89-90	1m	0.27	0.16	155
and				107-116	9m	0.21	0.22	134
and				141-145	4m	0.59	0.37	313
and				151-162	11m	0.25	0.34	148
TXMH0821RC	8044888	378605	-60/158	24-35	11m	0.45	0.24	249
and				69-71	2m	0.26	0.15	143
and				74-75	1m	0.17	0.10	110
and				76-77	1m	0.16	0.12	105
TXMH0824RC	8044819	378740	-60/287	No significant results				

Note: Datum is AMG Zone 52 AGD84. Intercepts calculated using a 0.1% nickel lower cut and 1m internal dilution.