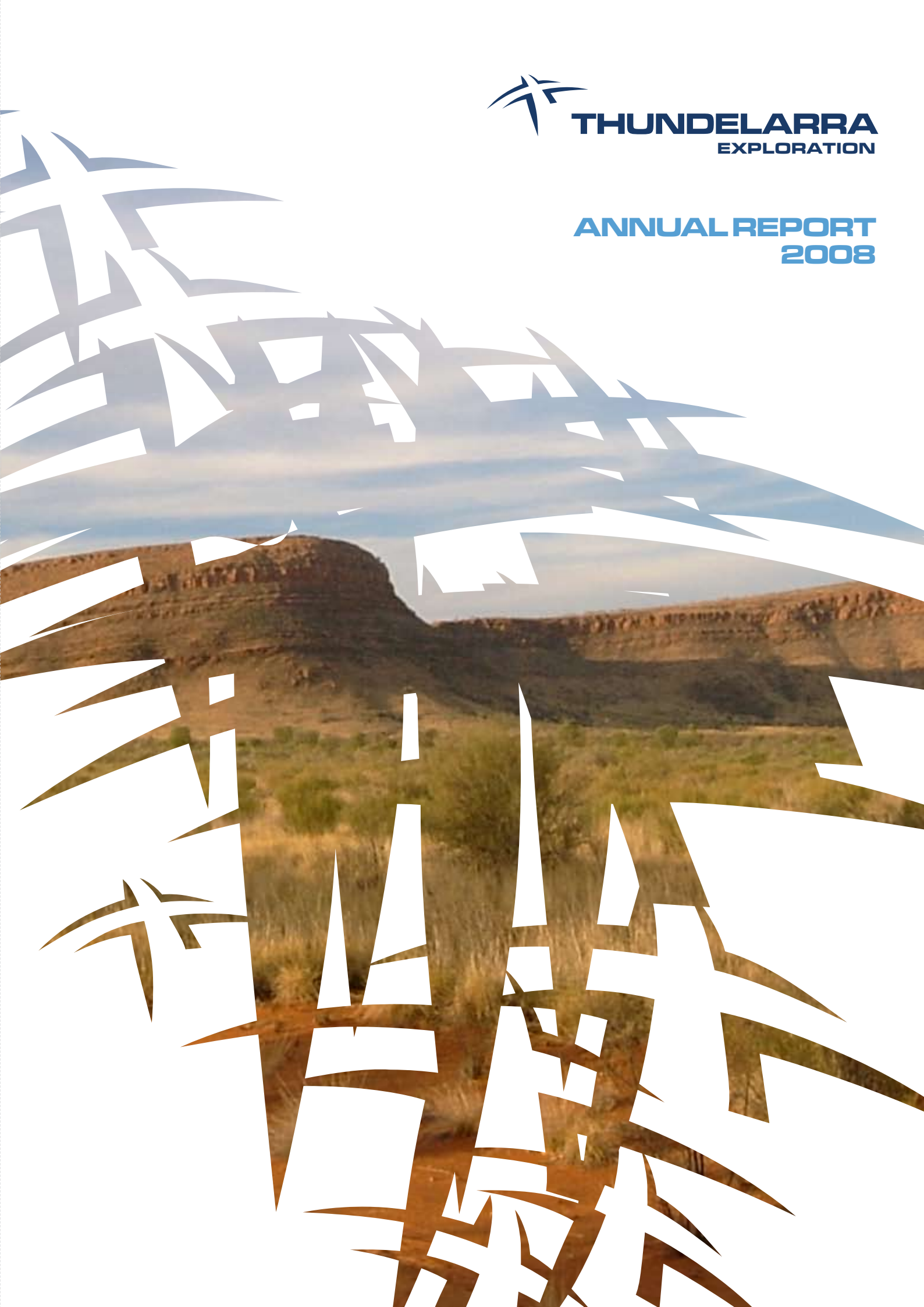




THUNDELARRA
EXPLORATION

ANNUAL REPORT
2008



CORPORATE DIRECTORY

Directors

Philip G Crabb	Non-Executive Chairman
Brett Lambert	Managing Director
Frank DeMarte	Executive Director and Chief Financial Officer
Brian Richardson	Executive Director
Malcolm J Randall	Non-Executive Director

Secretary

Frank DeMarte

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Solicitors

Blakiston & Crabb
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ASX Limited

Code THX
THXO

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The Annual Report covers both Thundelarra Exploration Ltd as an individual entity and the Consolidated Entity consisting of Thundelarra Exploration Ltd and its controlled entity.

Dear Shareholder

These past four months have seen a sudden and dramatic fall in the price of most commodities and in particular nickel and copper. In view of this situation the Thundelarra Board together with our Copernicus Joint Venture Partner Panoramic Resources Limited decided to "mothball" the Copernicus Open Cut Nickel Mine even though the mine had commenced delivering ore to the Savannah Treatment Plant.

Suspending Copernicus has delayed a source of revenue that was expected to fund on-going exploration activity and placed some strain on our liquidity. We do believe in time, commodity prices including nickel will recover sufficiently for operations at Copernicus to resume and we are confident the start up time to recommence operations will be short.

The Board is closely monitoring the situation and evaluating strategies for ongoing exploration for base metals and uranium. In order to progress our advanced core exploration projects we may need to seek joint venture partners and or sell outright some of our assets to be in a position to effectively explore while we are in this down cycle. In my opinion this negative cycle will end but that could be some time off.

On the exploration front, 2008 was one of Thundelarra's busiest. Base metals exploration was focused predominately in the East Kimberley. Major drilling campaigns were undertaken by Thundelarra at the Mabel Hill Nickel Project and the Sophie Downs Base Metals Project and by our Joint Venture Partner Breakaway Resources at the Keller Creek Nickel Project. The most exciting results from these programs occurred at the Mabel Hill Nickel Project strategically located 5 kilometres from the Great Northern Highway and 50 kilometres from the Savannah Nickel Mine. Significantly, drilling at Mabel Hill produced the best results by Thundelarra outside of the Copernicus Nickel Mine.

Uranium exploration targeted the Pine Creek Region in the Northern Territory where Thundelarra holds an interest over approximately 3,000km². The Pine Creek Orogen is a very rich uranium province supplying 10% of global uranium production. Recognising the importance of this region, Thundelarra has assembled a Darwin based exploration team headed by a senior geologist. During the year drilling programs were undertaken over seven prospects and early results are very promising and encouraging. In our first season at Pine Creek Thundelarra has discovered two new uranium occurrences, Hayes Creek and Thunderball.

In Queensland, Thundelarra discovered significant uranium and silver mineralisation at its 100% owned Gregory Range Project. Spectacular assay results were returned from recent rock chips sampling, including values up to 11.2% U₃O₈ and 2,280g/t silver. A detailed follow up program is planned for the 2009 season.

As the wet season in Northern Australia sets in our exploration focus will switch to our Southern projects. The projects of most interest to Thundelarra are the Ngalia Basin Uranium Project near Alice Springs and our Western Australian uranium projects. Thundelarra has identified drill ready targets at Spinifex, Kunderong and Kennedy Range and these will be targeted in our upcoming exploration program.

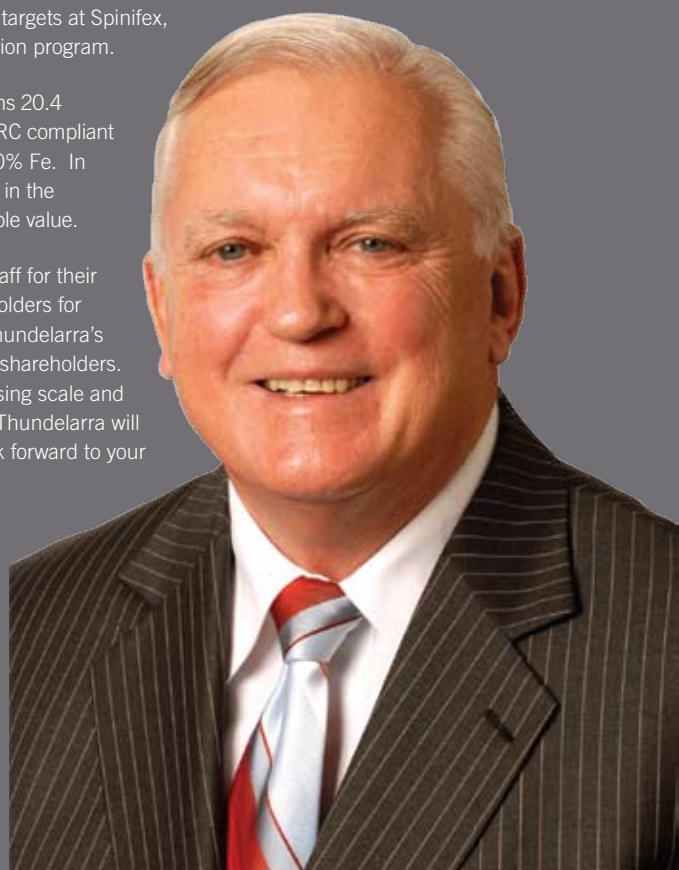
Our investment in the ASX Listed United Minerals Corporation, where Thundelarra owns 20.4 million fully paid shares, reached significant value on the back of their outstanding JORC compliant resource at the Railway Prospect of 111.3Mt at 57.7% Fe, including 84.5Mt at over 60% Fe. In terms of size and quality, the Railway Prospect is one of the most significant resources in the Pilbara outside the majors and Thundelarra believes our share holding is of considerable value.

In a year full with activity I would like to acknowledge and thank our Directors and staff for their continued commitment to Thundelarra. It is important to recognise our loyal shareholders for your continued support and I can assure you that as my family and I hold 15% of Thundelarra's shares, together with my other Directors, we will strive for exploration success for all shareholders. In my opinion uranium will figure predominately in world energy needs on an increasing scale and due to our large prospective tenement holdings throughout Australia I have a vision Thundelarra will become a prominent participant in this demand cycle. The Directors, Staff and I look forward to your continued loyal support of Thundelarra.

Yours sincerely,



Mr Philip G Crabb
Chairman



2008 HIGHLIGHTS

- THE COPERNICUS NICKEL MINE WAS FULLY DEVELOPED AND DELIVERED FIRST ORE TO THE SAVANNAH PLANT BEFORE THE OPERATION WAS PLACED ON CARE AND MAINTENANCE PENDING A NICKEL PRICE RECOVERY
- A NEW NICKEL SULPHIDE DISCOVERY WAS MADE AT MABEL HILL, EAST KIMBERLEY, WITH DRILL INTERCEPTS OF UP TO 12 METRES AT 1.32 % NICKEL
- A SIGNIFICANT NATIVE COPPER DISCOVERY WAS MADE IN THE EAST KIMBERLEY AT FRANK HILL
- THE FIRST DRILL PROGRAMS AT SOPHIE DOWNS, EAST KIMBERLEY, INTERSECTED BROAD ZONES OF BASE METAL MINERALISATION
- DRILLING IDENTIFIED TWO VIRGIN URANIUM OCCURRENCES IN THE FIRST FIELD SEASON AT PINE CREEK, NORTHERN TERRITORY
- SURFACE EXPLORATION AT GREGORY RANGE, QUEENSLAND, DELIVERS BONANZA GRADES WITH UP TO 11.2% U_3O_8 AND 2,280 G/T SILVER
- UNITED MINERALS CORPORATION (THX13.25%) DEFINE MAIDEN JORC RESOURCE OF 111.3 MT AT 57.7% IRON INCLUDING 84.5 MT AT 60.2% IRON

THUNDELARRA PROJECT LOCATIONS



COPERNICUS NICKEL MINE

The Copernicus Nickel Mine is located in the East Kimberley region of Western Australia approximately 35 kilometres south of the Savannah Nickel Mine. The project is a joint venture between Thundelarra (40%) and Panoramic Resources Ltd (60%).

MINERAL RESOURCES & ORE RESERVES

Copernicus hosts a resource of 852,000 tonnes grading 1.24% nickel, 97% of which is classified as Measured or Indicated and is situated within 300 metres of the surface.

Copernicus Mineral Resource Estimate (Undiluted, 0.5% Ni Cut-off)

Class	Tonnes	Ni %	Cu %	Co %	Ni Tonnes	Cu Tonnes	Co Tonnes
Measured	373,000	1.13	0.66	0.05	4,220	2,460	190
Indicated	454,000	1.35	0.95	0.05	6,130	4,310	220
Inferred	25,000	0.98	0.69	0.03	250	240	10
Total	852,000	1.24	0.81	0.05	10,600	6,900	420

In September 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. The grade control work indicated a marginally higher ore tonnage and metal content and negligible variation in grade, confirming that no adjustment of the published resource estimate was required.

A Probable Mining Reserve of 784,000 tonnes grading 1.1% nickel has been estimated for a combined open pit and underground development. The reserve incorporates allowances for ore loss and dilution that are considered appropriate for the proposed mining method. The reserve tonnage is included within the reported resource.

Copernicus Probable Mining Reserve (Open Pit 0.5% Ni Cut-off, Underground 0.8% Ni Cut-off)

Class	Tonnes	Ni %	Cu %	Co %	Ni Tonnes	Cu Tonnes	Co Tonnes
Open Pit	437,000	1.0	0.65	0.05	4,370	2,840	220
Underground	347,000	1.2	0.70	0.04	4,150	2,420	140
Total	784,000	1.1	0.67	0.05	8,520	5,260	360

The Copernicus resource remains open at depth with limited deep drilling carried out in 2007 intersecting ore grade mineralisation including hole CORC093 which returned 13 metres at 1.84% nickel, 1.03% copper and 0.05% cobalt approximately 400 metres below surface.

Eleven reverse circulation (RC) holes were drilled during the year to further test for down plunge resource extensions. Deviation of the deeper holes was a significant problem and resulted in a number of the holes not intersecting target and the program being terminated before all of the planned 16 holes had been drilled. Six holes intersected significant mineralisation with the best result being 6 metres at 1.59% nickel, 0.81% copper and 0.05% cobalt from hole CORC094.



Open Pit Mining at Copernicus, October 2008

PROJECT DEVELOPMENT

In November 2007 the Copernicus Co-Existence Agreement was signed by the Copernicus Joint Venture partners and the Malarngowem People, Traditional Owners of the Copernicus region. The agreement paved the way for development of the Copernicus deposit to proceed whilst ensuring the values and rights of the Traditional Owners were recognised and respected.

In December 2007 a State Deed was executed with the Western Australian Government which facilitated the granting of the Copernicus Mining Lease on 8 January 2008. Final statutory approvals for open pit mining operations at Copernicus were obtained in May 2008 and construction commenced that month.

The most significant component of predevelopment work at Copernicus was construction of a 23 kilometre long haul road linking the site to Great Northern Highway to enable ore to be hauled to the Savannah plant for processing. This was completed to a very high standard by Riverlea Corporation Pty Ltd.

At Savannah additional accommodation units were installed to accommodate the Copernicus workforce, the ore pad was upgraded to accept road trains and a Guar facility was added to the processing plant by GR Engineering Services Pty Ltd. Guar is a reagent that improves nickel recovery and concentrate quality for Copernicus ore.

MINING OPERATIONS

The open pit mining contract for Copernicus was awarded to Brierty Limited with Westdrill Pty Ltd subcontracted for blast hole drilling. Synergex Holdings Pty Ltd were contracted to supply bulk explosives to the project. Open pit mining commenced in July 2008. Mining has progressed well with budgeted productivity levels achieved or exceeded.

Ore processing commenced in November 2008 when a small parcel of transitional (partially oxidised) ore was put through the Savannah plant. Nickel-copper-cobalt concentrate from Copernicus will be hauled by road train to the port of Wyndham from where it will be exported to Jinchuan Nickel in China.

There were no lost time injuries at Copernicus during construction and mining operations to date.

SUSPENSION OF OPERATIONS

At the time that a commitment to Copernicus was made, statutory approvals were obtained and development commenced, nickel was trading in a price range of US\$12 to US\$14 per pound. However, shortly after construction got underway the nickel price deteriorated and by November 2008 had fallen to approximately US\$4.50 per pound. A weakening Australian dollar aided cash costs at Copernicus, but the cash margin had diminished to the point it was considered prudent to suspend operations and place the mine on care and maintenance.

Industry analysts are forecasting nickel to return to a long term price range at which Copernicus would operate profitably. It is intended to preserve the resource until such time as it can be exploited to generate an acceptable financial return. The mine and associated infrastructure have been fully developed and left in a state that would enable mining to recommence at short notice.

BASE METALS EXPLORATION

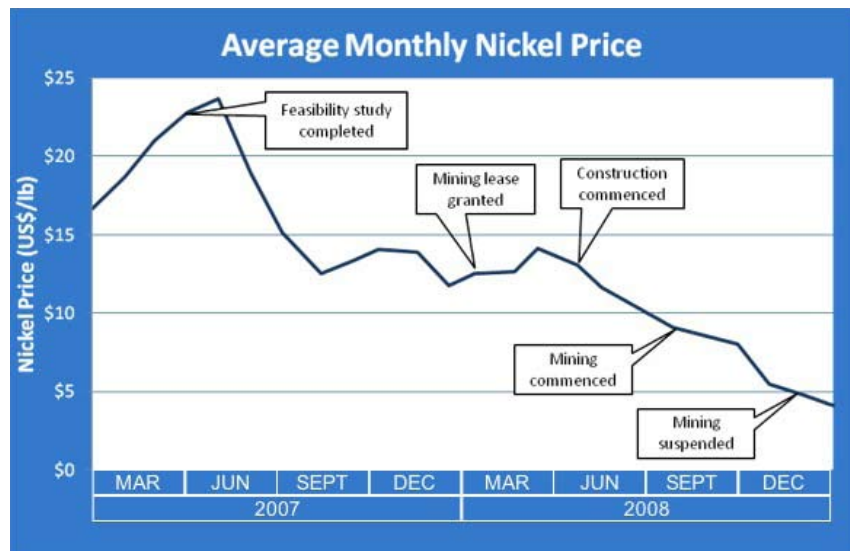
EAST KIMBERLEY REGIONAL PROJECTS

The prospective East Kimberley region of Western Australia hosts a wide range of mineralisation types. Thundelarra's tenure, covering some 2,804 square kilometres contains nickel sulphide, copper, base metal, platinum and iron ore mineralisation. During the year several existing prospects were advanced and several new discoveries made.

FRANK HILL PROJECT

The Frank Hill project (THX 100%) lies on the eastern portion of the East Kimberley tenure and covers a younger suite of rocks associated with the Red Rock Formation. Work has identified several new mineral occurrences within the tenement, and whilst exploration is at an early stage this is very encouraging evidence of the prospectivity of the East Kimberley.

In the southern tenement area a sequence of copper anomalous epidote altered basalt flows have been identified. Native copper, chalcocite and malachite copper mineralisation within mafic flow basalts and interflow sediments have been recently identified in an area named the Azura prospect. An airborne HOISTEM electromagnetic survey displays a six kilometre long anomaly in the area of the copper occurrence and its strike extent to the north. This may be consistent with



Nickel Price Chart



East Kimberley Regional Projects Map

disseminated mineralisation at depth which requires testing by IP geophysics.

Results have been received for thirteen rock chip samples taken over a 3.4 kilometre long zone coincident with the electromagnetic anomaly. Seven of the samples returned values of greater than one percent copper with a highest assay of 4.8% copper. The geological setting, observed alteration and mineralisation are similar to the Keweenawan style native copper and chalcocite dominated ore bodies in northern Michigan, USA.

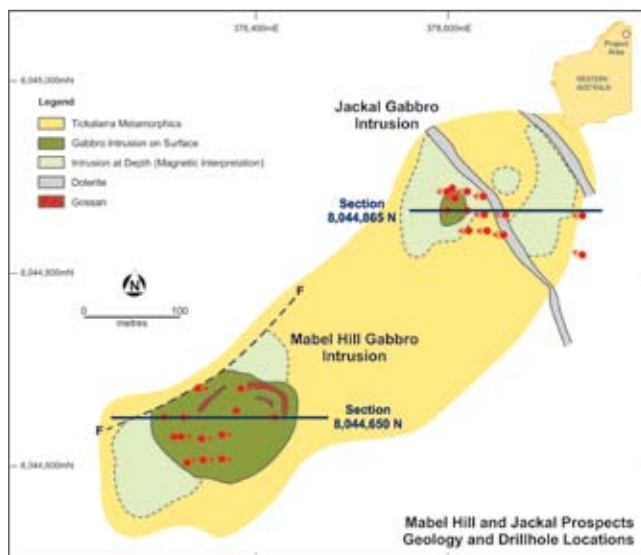
In the central tenement area a sequence of shallow water basalt flows (hyaloclastites) are overlain by hematitic sandstone

consisting of iron oxide oolites and peloids, identical to granular iron formations (GIF) which are important hosts to global iron ore resources.

Further work is being conducted to identify the extent of this new discovery.



Drilling at Mabel Hill



Mabel Hill Project Plan

MABEL HILL PROJECT

The Mabel Hill project (THX 80%) was first identified in the 1970s but until Thundelarra's recent work had received only cursory exploration. During 2007 a single vertical hole (THXRC088), 200 metres to the north of the original Mabel Hill prospect, defined nickel sulphide mineralisation within a previously unknown intrusion which is effectively blind at surface. This discovery, named the Jackal Prospect, has been an exciting stimulus to Thundelarra's nickel exploration, displaying the potential for shallow but not outcropping mineralisation. The Mabel Hill Project area is shown in the plan above.

Work at the Jackal prospect during 2008 has included follow up drilling and a detailed ground magnetics survey. Reverse circulation (RC) drilling, comprising 14 drill holes have tested the target zone, as well as testing several additional magnetic anomalies nearby to the east and north. This work has defined a broad zone of low grade disseminated nickel sulphide mineralisation which is truncated to the north by a late stage dolerite dyke. The northern continuation of the mineralised intrusive has not been identified to date.

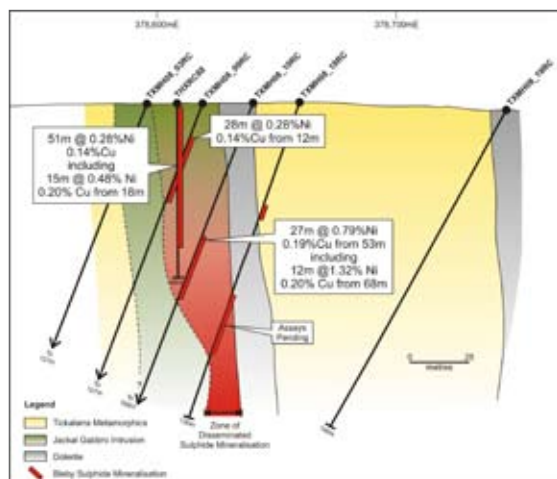
Results include Thundelarra's best nickel discovery outside of Copernicus, with 12 metres @ 1.32% nickel, 0.2% copper and 0.06% cobalt from 68 metres in hole TXMH0810RC. Mineralisation is hosted by matrix and locally massive sulphides comprising pyrrhotite, chalcopyrite and pentlandite that are concentrated on the lower, eastern contact of the norite intrusive.

Results from a follow up phase of drilling are awaited but visible, mainly disseminated mineralisation was observed and confirms a steeply dipping zone of mineralisation below TXMH0810RC. This is shown in the section below. When results have been returned the scope of further drilling will be defined.

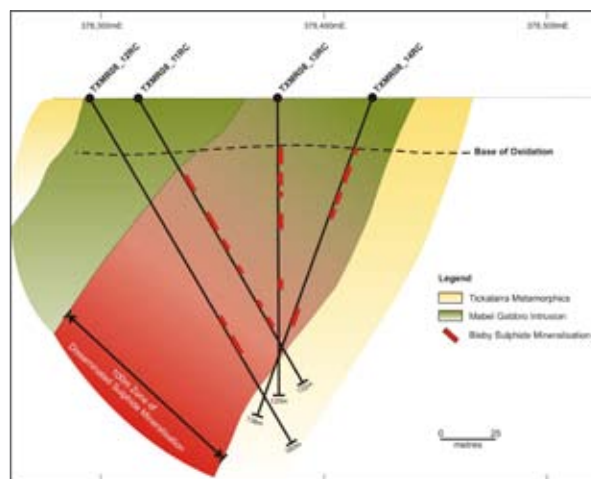
The discovery of Jackal prompted further work at the original Mabel Hill prospect including a down hole electromagnetic (DHEM) survey which identified a new conductive target at 80-90 metres below surface. This is below the shallower moving loop transient electromagnetic (MLTEM) anomaly the 2007 drilling had tested. Drilling of this upper target in 2007 defined broad but low grade mineralisation, such as 39 metres @ 0.34% nickel and 0.12% copper from 39 metres in THXRC085.

A total of 6 RC drill holes have been recently completed. Results are awaited but broad disseminated zones of sulphide within the footwall zone of the intrusion include local zones of stronger stringer and matrix material. Mineralisation is strongest at the 80-100 metre target depth.

At the Mabel Hill prospect results are encouraging evidence that the intrusion hosts a large nickel sulphide system that remains open along strike and at depth. Mineralisation dips to the west within the tabular or funnel shaped intrusive body. Structural repetition may thicken the prospective basal zone giving a series of stacked mineralised zones which has been tested to a depth of only 140 metres. The Mabel Hill intrusion is mafic dominated and has a weak magnetic signature, similar to the footwall Tickalara metamorphics. This low magnetism contrasts with the strongly magnetic pyrrhotite rich nickel mineralised zones. The anomalism observed in the ground magnetic data may largely represent sulphide mineralisation and further analysis may define significant targets at depth.



Jackal Prospect - Drill Section 8,044. 865 N



Mabel Hill Prospect - Drill Section 8,044. 650 N.

SOPHIE DOWNS PROJECT

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's drilling this year.

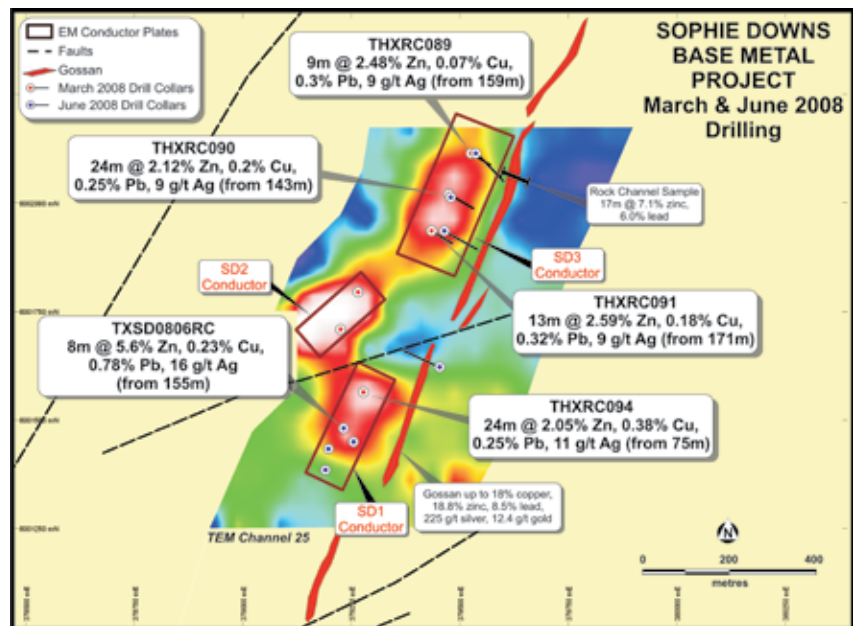
During 2008 14 RC drill holes for 2,559 metres were completed over the Ilmars prospect. Targets have been defined by a helicopter borne time domain electromagnetic (VTEM) geophysical survey coupled with follow up ground electromagnetic survey which defined a number of conductive targets in the down dip position of surface gossan.

Results from the drilling have been returned and include zinc dominated sulphide mineralisation with the best result from the prospect to date being 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.

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

ROSEWOOD PROJECT

The Rosewood project (THX 100%) is located in the northern portion of the Kimberley tenure, being some 90 kilometres south east of Kununurra. The project covers a large area of Antrim Plateau Volcanics and overlying Cambrian aged Headley Limestone with a general setting analogous to Michigan copper belt in the USA. Hydrothermal copper mineralisation, hosted within the upper part of the volcanics and overlying limestone has returned up to 13.1% copper and 35g/t silver. Mineralisation extends for over 3 kilometres in strike length at Crackerjack, the most advanced prospect. Two additional tenements have been pegged during the year and exploration will proceed on the tenement's grant.



Sophie Downs Base Metal Project Map

EAST KIMBERLEY JOINT VENTURE

Breakaway Resources Ltd is manager of the East Kimberley Joint Venture (THX 40%). Exploration during the year included completion of a large airborne magnetic survey over the northern tenement package and drilling at Keller Creek.

The Keller Creek 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 2008 RC drilling generated multiple intercepts of nickel mineralisation. The best result, from 08BEKC0015 returned 8 metres @ 0.72% nickel and 0.24% copper from 93 metres.

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.

PILBARA PROJECTS – PYRAMID

The Pyramid project (THX 100%) comprises three tenements covering 468 square kilometres of the Archaean aged West Pilbara craton. The tenements cover several layered intrusives prospective for nickel sulphide, an extensive package of felsic volcanics prospective for VMS base metal mineralisation as well as Banded Iron Formation (BIF) Cleaverville formation prospective for iron ore.

During 2007 a VTEM 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 volcanics that are mineralised along strike at Whim Creek and Balla Balla to the east.

The project covers several areas of 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, inferred from airborne magnetics, has a 4.5 kilometre strike extent and is mainly covered by shallow colluvium.

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.

A Native Title Heritage Agreement has been signed with the Ngarluma Aboriginal Corporation. Drill testing of the base metal and iron ore prospects can now proceed on completion of a heritage survey.

URANIUM EXPLORATION

Thundelarra has nine uranium projects in Australia and during the year the main exploration focus was on the Company's extensive tenement holding in the highly prospective Pine Creek region of the Northern Territory. Early stage exploration was also carried out on the Dashwood (Northern Territory), Gregory Range (Queensland) and the Kennedy Range, Mt Phillips, Glenburgh and Kunderong projects in Western Australia. All projects returned positive results with the most significant results from the Pine Creek and Gregory Range projects.

Activities conducted during the year and planned work programs for 2009 are outlined below:

NORTHERN TERRITORY

GBS PINE CREEK JOINT VENTURE PROJECT

In 2007, Thundelarra executed an agreement with TSX listed GBS Gold International Inc (GBS) to acquire a 70% interest in the uranium rights over GBS's 2,500 square kilometre Pine

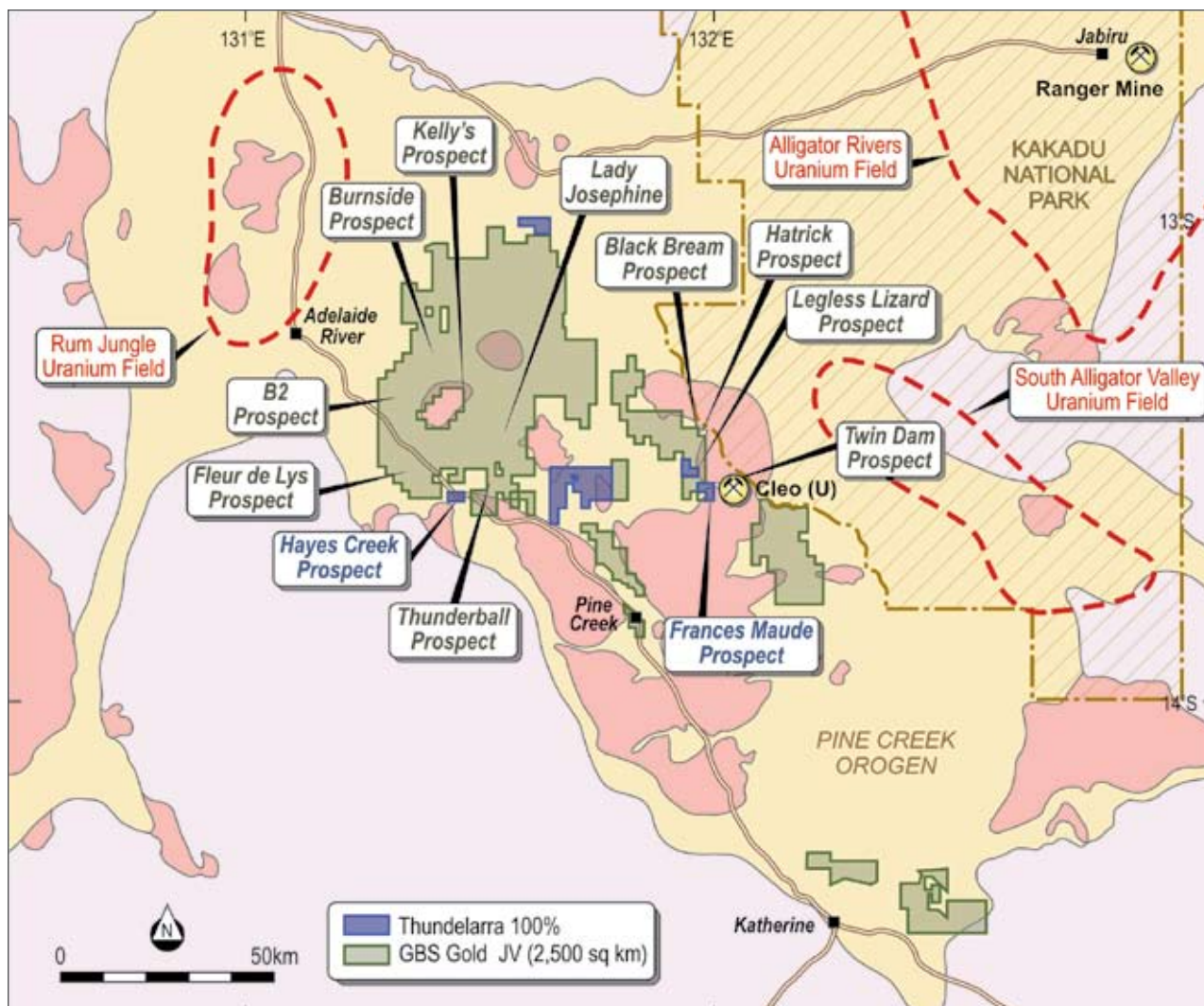
Creek tenement holding. Thundelarra is the manager of the joint venture and GBS retains a 30% equity free carried to completion of a feasibility study.

The Pine Creek Uranium Joint Venture tenements are located in the south-western portion of the Pine Creek Orogen between the South Alligator Valley and the Rum Jungle Uranium Fields (see Pine Creek Project map). The Pine Creek Orogen is one of the world's largest and richest uranium provinces and accounts for over 10% of the world's uranium production and over 50% of Australia's total production from one operation, the Ranger mine. A significant proportion of the world's uranium resources occur within the Pine Creek Orogen but are contained within various national parks including Kakadu.

Thundelarra's uranium exploration strategy is to find new uranium occurrences and resources within the prospective but poorly explored extensive tenement holding. The consolidation of the ground by GBS has allowed a comprehensive assessment of the whole project area which was not possible during the last uranium exploration boom of 1975 to 1982 when most of the ground was held by a large number of separate companies and prospectors predominantly exploring for gold.

During the summer monsoon period Thundelarra reviewed all historical exploration reports, captured all relevant exploration data and acquired geophysical datasets for the project. Information was then compiled and assessed resulting in the defining of over 30 prospects for field assessment. In May 2008 after the summer monsoon season, field exploration activities commenced on the project area. A number of priority prospects were visited and geologically mapped, ground radiometric surveys completed and rock samples collected for analysis.

Initial field work returned very encouraging results from a number of prospects. A significant new uranium occurrence was discovered at the **Thunderball prospect** located approximately 50 kilometres north-west of the township of Pine Creek. The mineralisation was discovered during the systematic ground assessment of a priority airborne radiometric anomaly. A sample of carbonaceous shale showing secondary uranium minerals was located in a steeply incised valley on the western margin of a strongly defined north-east trending airborne radiometric anomaly. The anomalous float sample was sourced from a number of bedding-parallel shears



Pine Creek Project Map

in carbonaceous shale outcrop. Rock chip samples from the shears assayed between 47 and 371 ppm U_3O_8 and significantly the mineralised float sample assayed 2,700 ppm U_3O_8 . A detailed ground radiometric survey clearly defined a 300 metre long north-east trending anomalous zone with the major part of the anomaly located on a rubble covered hill slope (see Thunderball Prospect map).

In September 2008, 6 RC holes were drilled on 3 separate 75 metre spaced sections to test the main part of the Thunderball ground radiometric anomaly. Three holes were drilled on the central section (see Thunderball Prospect Drill 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 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 a poorly developed shear zone.

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 only weak radioactivity between

49 and 50 metres and 54 and 55 metres (see Thunderball Drill Section),

A further two holes were drilled on the northern most section intersecting several zones of radioactive anomalism. One hole was drilled on the southern section under the main part of the radiometric anomaly, without intersecting significant anomalism.

The geology of the 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 consistent with a stratigraphically controlled shear which is intermittently mineralised along its one kilometre strike length.

Detailed mapping is continuing at the Thunderball prospect and no assays are available from the drilling program at the time of writing this report.

At the Lady Josephine prospect located approximately 12 kilometres north east of Thunderball four RC holes were drilled to test a surface radiometric anomaly and a major structure located in an area of alluvial cover.

Zones of anomalous radioactivity were intersected in two of the holes associated with zones of chloritic or haematitic jointing in the host tuffaceous siltstones. No assays are available at the time of writing this report.

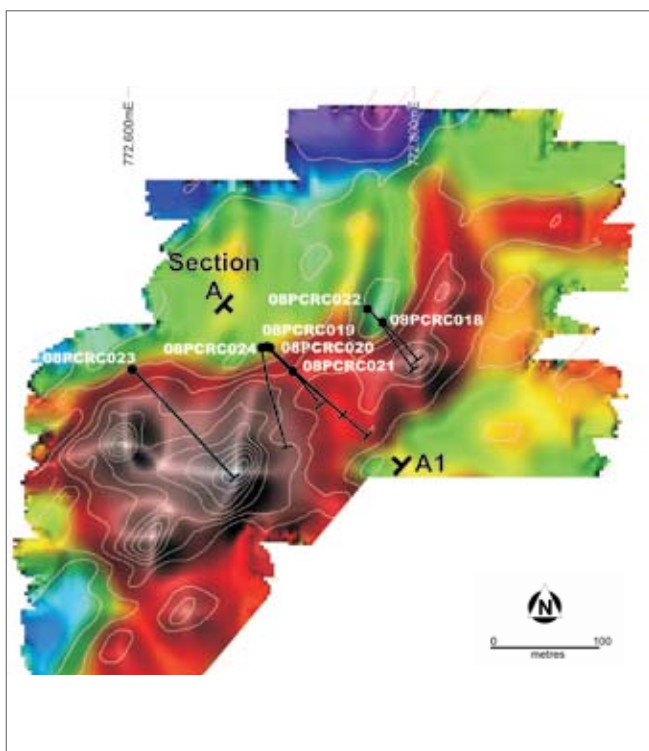
At the Fleur de Lys prospect where underground uranium mining was carried out in the 1950's, a rock chip sample returned an assay of 1.58% U_3O_8 from a

shear zone 15 metres north of an existing mine shaft. The secondary uranium mineral torbernite (copper-uranium-phosphate mineral) and the copper minerals malachite, azurite and cuprite occur as veins and coatings on joints and bedding planes within the strongly sheared shale unit. Primary uranium mineralisation encountered in the historical underground mining operation consisted mainly of pitchblende hosted by narrow massive sulphide veins. A six hole RC drilling program was completed but only one hole, 08PCRC002, intersected significant radioactivity returning an assay of 2,608 ppm U_3O_8 from 57 - 58 metres.

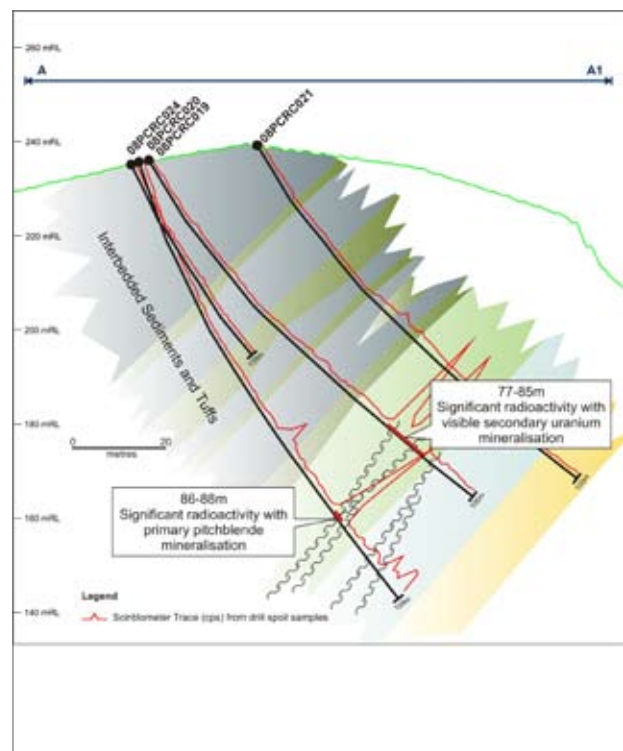
Exploration is continuing on the GBS Pine Creek Joint venture project involving systematic prospect assessment, detailed geological mapping, ground radiometric surveys and an airborne electromagnetic survey. Results from the recently completed drilling programs and the current ground exploration activities will determine the exploration activities for 2009.

PINE CREEK PROJECT THUNDELARRA TENEMENTS

In the Pine Creek region, Thundelarra has four separate projects outside of the extensive GBS joint venture tenements. During the year exploration focussed on the 100% owned Hayes Creek Project, E25553 located approximately 50 kilometres north-west of Pine Creek. The tenement secures an airborne radiometric anomaly that has a strike of over one kilometre on or adjacent to the contact between the sediments of the Mt Bonnie and Burrell Creek formations.



Thunderball Prospect + Radiometrics Map



Thunderball Prospect - Drill Section A - A1

Initial field work conducted by Thundelarra identified a high order ground radiometric anomaly associated with gossanous quartz veins, ferruginous siltstones and an extensive shear zone (Bella Rose prospect). Rock samples of the gossanous material returned values up to 1,720 ppm U_3O_8 with associated visible secondary uranium mineralisation. Three costeans were excavated at the Bella Rose prospect across the peak of the radiometric anomaly. Elevated radiometric response was recorded from all three costeans associated with ferruginous shear zones. Three RC holes were drilled designed to test below the zones of anomalous radioactivity intersected in the costeans. All holes intersected elevated zones of radioactivity correlating with the costean intercepts. No assays from this drilling program are available at the time of writing this report.

Thundelarra is continuing to assess its Pine Creek projects and acquire additional prospective tenements in the region.

NGALIA BASIN PROJECT

This project covers the central portion of the Ngalia Basin between two major uranium discoveries, Biglyi (Energy Metals) to the north-west and Napperby (Toro Energy) to the south-east. Anomalous uranium intercepts have been recorded from historical drilling through the Mt. Eclipse Sandstone host rock within the project tenements.

A grant submission to carry out a gravity survey over the Western Ngalia Basin has been successful, with Northern Territory Department of Primary Industry Fisheries and Mining offering a contribution of \$59,735 towards the survey. The gravity survey will proceed before June 2009 subject to completing negotiations with the traditional land owners.

DASHWOOD PROJECT

Most of the exploration activity within Central Australia was undertaken within this granted tenement. It consisted of mapping, a Ground Penetrating Radar (GPR) survey and water bore sampling. High thorium and rare earth elements (REE) were identified within the Arunta basement which crops out on the western part of the tenement. They are hosted by pegmatitic and high-level felsic volcanics affected by the Alice Springs mylonitic zones. Allanite, thorogummite and xenotime minerals were recognised by recent petrographic and mineragraphic work. These findings show some similarities with the Nolan's Bore REE deposit (Arafura Resources) located 70 kilometres to the north-east.

Preliminary conclusions on the thirty six groundwater samples geochemistry results are encouraging. The presence of insoluble uranium minerals (potential ore deposits) within the groundwater warrants follow-up work and the water bore sampling is going to be extended over the Ngalia Basin tenements.

WESTERN AUSTRALIA

In response to the recent change in State Government uranium policy Thundelarra intends to accelerate the exploration activities on its five uranium projects within Western Australia. During the year limited work was conducted on the projects but more substantial activities are planned for the 2009 field season.

SPINIFEX PROJECT

The prospect is located approximately 50 kilometres north of the East Kimberley Argyle diamond mine and was discovered by Uranerz in 1971. Secondary uranium minerals are present within the lower part of the Hensman Sandstone and high-grade mineralisation up to 13.6% U_3O_8 was recorded from the shallow pits.

Mapping, airborne and ground radiometric surveys and rock chip sampling by Thundelarra have led to the discovery of a new anomaly (A1 prospect) 1.3 kilometres east of the historical uranium occurrence. This work has led to a better understanding of the geological, structural and metallogenic setting of the area. Values up to 0.58% U_3O_8 and anomalous gold, silver and lead assays were returned from rock chip sampling.

Thundelarra is planning to conduct a drilling program in 2009 to test both the

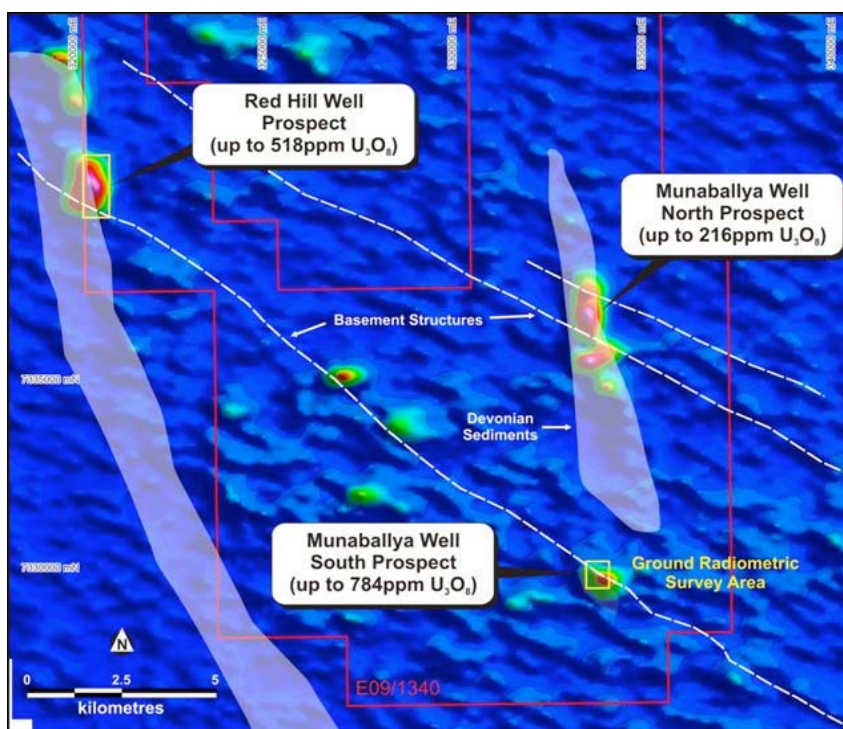
historical uranium occurrence and the newly discovered mineralisation at the A1 prospect.

GASCOYNE PROVINCE

Three 100% owned projects are granted in the Gascoyne area; Kennedy Range, Mt. Phillips and Glenburgh. Although encouraging uranium results were returned from initial reconnaissance work on all three projects, the main focus in 2008 was directed over the Kennedy Range project which is waiting for aboriginal heritage clearance for drilling. Jailor Bore and Manyingee uranium deposits are located north of this project within similar lithological and structural settings.

The **Kennedy Range project** (E09/1340) is located approximately 200 kilometres east north-east of Carnarvon and covers an area of 92 square kilometres. Extensive work was undertaken in 1970s by Uranerz, including trenching and limited drilling. The whole exploration activity was conducted using the unconformity-related type model. Detailed work undertaken by Thundelarra has shown that uranium mineralisation is likely to be structurally-controlled and trapped within the Devonian calcareous host rocks. The uranium is sourced from the late-stage porphyritic granitoids of the Gascoyne Complex basement.

Two major uranium anomalies were delineated by detailed ground radiometric surveys with secondary uranium minerals observed at both the Red Hill and Munaballya Well South prospects (see Kennedy Range project map). Uranium values up to 784 ppm U_3O_8 were returned from limited rock chip sampling. The potential exists for strike extensions of the prospective horizons beneath areas of



Kennedy Range Project Map

masking colluvial cover to the north and south of the mapped radiometric anomalies. The first phase of drilling is expected to deliver encouraging results and additional information to better understand the type of mineralisation and its structural setting.

KUNDERONG PROJECT - ASHBURTON BASIN

The Kunderong project is located 110 kilometres south east of Paraburdoo and comprises five 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

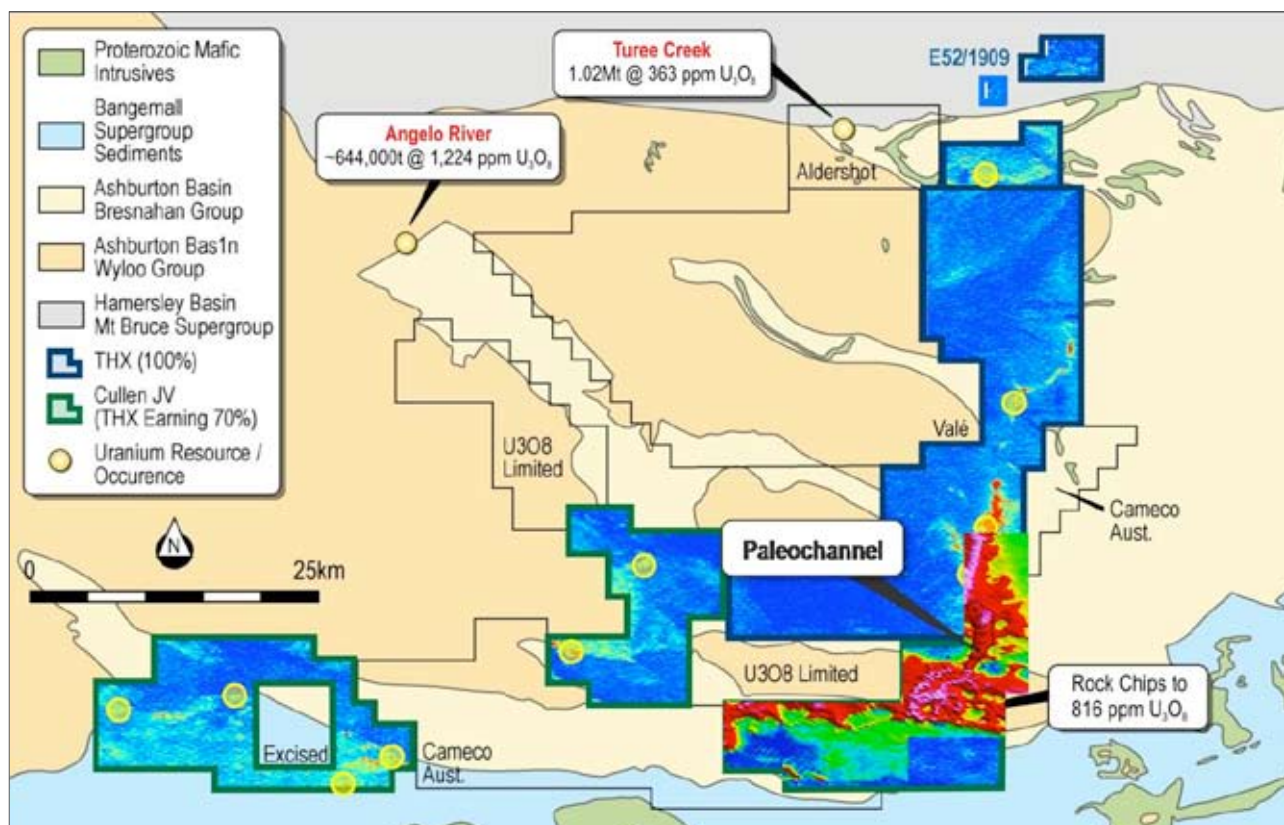
Proterozoic Bresnahan Group rocks and the Lower Proterozoic Wyloo Group (see Kunderong Project map). This unconformity and associated areas of faulting are prospective for uranium mineralisation, similar in style to that of the Ranger and Jabiluka deposits in the Alligator Rivers region in the Northern Territory.

Recent assessment of the first and second-order airborne uranium radiometric anomalies has led to the identification of a thick, anomalous calcrete layer along the Tunnel Creek between the Saltwater Pool and the Yindabiddy Pool. Most of it is capping a significant conductive anomaly delineated by the latest TEMPEST EM survey. This area was a major exploration focus for past explorers and contains a large spectrum of elements, including gold.

Reconnaissance mapping over the whole area has identified the presence of the Wyloo, Bresnahan and Bangemall groups. Therefore, two major unconformities could be the potential targets for uranium exploration. The sedimentary package is transected by major north-west trending faults and shear zones, delineating an alternance of graben and horst structures. These structures are also prospective targets for exploration.

The northern part of the project (E52/1909) is covered by calcrete and colluvial deposits. Processing of magnetic data has showed the presence of several strong magnetic features which might indicate buried channel iron deposits.

Negotiations with native title claimants were concluded recently and all tenements should be granted early in 2009 allowing the commencement of field activities.



Kunderong Project Map

QUEENSLAND

GREGORY RANGE PROJECT

The Gregory Range project is located 300 kilometres west south-west of Georgetown and comprises one granted tenement EPM15849 and an application EPM17591. The project is surrounded by the major mining fields of Georgetown, Forsyth and Croydon. The Maureen uranium deposit is located 50 kilometres to the north-east.

The main focus of uranium exploration was the greisenised zone between the

Proterozoic Olsens Granite, to the east, and the rhyolitic Croydon Volcanics, to the west.

Spectacular assay results were returned from recent rock chip sampling, including values up to 11.2% U_3O_8 , 1.3% copper and 0.7% tin at the Pandanus Prospect, 0.5% U_3O_8 , 3.1% lead and 0.25% tin at the Braden's Gap prospect, and 2,280g/t silver from The Bluff.

The mineralised system is very complex and contains a wide range of elements

including uranium, silver, tin, antimony, arsenic, lead, zinc, copper, phosphorus and gold. Metasomatic, epithermal and porphyritic affinities are all present, suggesting a multistage type of volcanism as young as Permo-Carboniferous.

Detailed radiometric surveys, soil sampling, IP orientation lines and mapping are to be undertaken prior to the first ever drilling program within the tenement.

UNITED MINERALS CORPORATION

Thundelarra holds 20.4 million shares in United Minerals Corporation (UMC) and is the largest shareholder in that company with 13.25% of ordinary shares on issue. This shareholding was obtained when Thundelarra vended tenements into UMC in 2004.

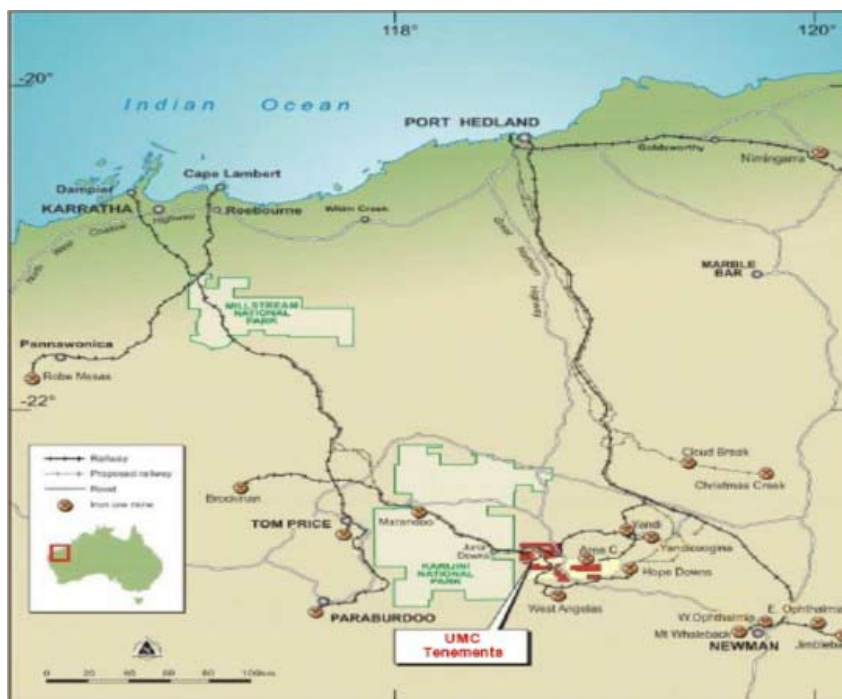
UMC's primary assets are their wholly owned Pilbara Iron Ore Project and a 25% interest in the Kimberley Bauxite Project with Norsk Hydro holding the remaining 75%.

In July 2008 UMC announced a maiden iron ore resource of 111.3 million tonnes grading 57.7% iron at the Railway Prospect. Within the total resource a direct shipping quality resource of 84.5 million tonnes grading 60.2% iron was defined. The Railway deposit is Marra Mamba style hematite and levels of deleterious impurities, silica, alumina and phosphorous, are low.

In October 2008 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 depending on the development option selected.

UMC have continued infill drilling at Railway in order to upgrade the resource using both reverse circulation and diamond drilling. In November 2008 UMC released some assay results for the infill drilling program including 79 metres at 60.5% Fe in hole UI257, 80 metres at 64.4% Fe (UI273), 100 metres at 61.6% Fe (UI274) and 117 metres at 63.0% Fe, including 30 metres at 67.0% Fe (UI314).

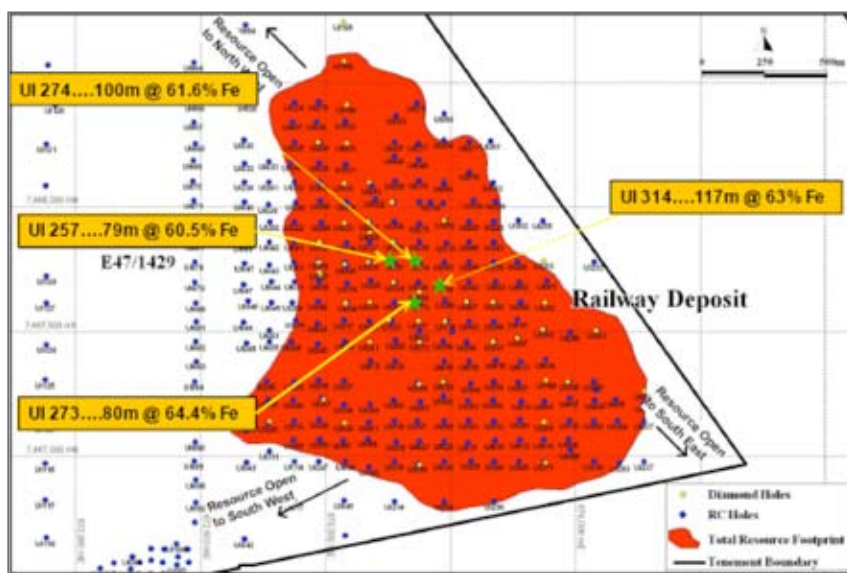
Limited exploration drilling has also been carried out at Railway East and Jumbo Junction, both within the Pilbara Iron Ore Project, intersecting significant grades and widths of iron ore at both prospects.



UMC Pilbara Iron Ore Project

Railway Prospect Inferred Resource Estimate July 2008

Class	Tonnes	Fe	SiO ₂	Al ₂ O ₃	P	L.O.I.
DSO (54% cutoff)	84.5 Mt	60.2%	3.65%	2.46%	250	240
Total Resource	111.3Mt	57.7%	5.13%	3.53%	10,600	6,900



Railway Prospect Drill plan and Resource Outline

The Directors present their report on the Consolidated Entity consisting of Thundelarra Exploration Ltd and the entity it controlled at the end of, or during, the year ended 30 September 2008.

INFORMATION ON DIRECTORS

The following persons were Directors of Thundelarra Exploration Ltd ("Company") and were in office during the financial year and until the date of this report unless otherwise stated.

PHILIP G CRABB

(Non-Executive Chairman) Age 68 - FAusIMM, MAICD

Mr Philip Crabb is a Fellow of the Australasian Institute of Mining and Metallurgy and a member of the Institute of Company Directors. Mr Crabb has been actively engaged in mineral exploration and mining activities for the past thirty eight (38) years in both publicly listed and private exploration companies. He has considerable experience in field activities, having been a drilling contractor, quarry manager and mining contractor. Mr Crabb has extensive knowledge of the Australian Mining Industry and has experience with management of Australian publicly listed companies. Mr Crabb is presently also the Chairman of United Mineral Corporation NL (since 2004) and of Royal Resources Limited (since 2005).

Mr Crabb was appointed a director on 30 November 1998.

Special Responsibilities

Chairman of the Board

Member of Nomination Committee from December 2004

Member of Remuneration Committee from December 2004

BRETT T LAMBERT

(Managing Director) Age 48 - BSc (Mining Eng), MAusIMM

Mr Brett Lambert is a mining engineer with 26 years experience in the resources industry. He commenced his career with Western Mining Corporation Limited and worked at the Kambalda Nickel Operations, Kalgoorlie Gold Operations and Hill 50 Gold Mine, Mt Magnet. In 1989 Mr Lambert joined Herald Resources Limited where he was responsible for the establishment of the Three Mile Hill gold mine and was subsequently appointed Resident Manager of Herald's Coolgardie Operations.

In 1994 Mr Lambert began a career of almost ten years with Western Metals Limited holding the positions of General Manager Development and Executive General Manager Operations. In 1998 and 1999 Mr Lambert was seconded to Thailand as Managing Director of Padaeng Industry PCL, a Thai zinc mining and smelting company. In 2004 Mr Lambert was appointed Chief Executive Officer of NuStar Mining Corporation Limited.

Mr Lambert joined the Company in May 2007 as Chief Executive Officer and was appointed Managing Director in September 2007.

Former Directorships in last three years

Intrepid Mines Limited from 2006 to 2008

Special Responsibilities

Managing Director

Member of Nomination Committee from September 2007

Member of Remuneration Committee from September 2007

FRANK DEMARTE

(Executive Director) Age 46 - BBus, FCIS, MAICD

Mr Frank DeMarte has over twenty four (24) years of experience in the mining and exploration industry in Western Australia. Mr DeMarte has held executive positions with a number of listed mining and exploration companies and is currently an Executive Director and Chief Financial Officer of the Company.

Mr DeMarte is experienced in areas of secretarial practice, management accounting and corporate and financial management. Mr DeMarte holds a Bachelor of Business majoring in Accounting and is a Fellow of the Chartered Secretaries of Australia. Mr DeMarte is presently also a director of Royal Resources Limited (since 2004) and Aldershot Resources Ltd (since 2005).

Mr DeMarte was appointed a director on 30 April 2001.

Special Responsibilities

Member of Nomination Committee from December 2004

Member of Remuneration Committee from December 2004

Chief Financial Officer.

Company Secretary.

BRIAN D RICHARDSON

(Executive Director) Age 55 - BSc (Hons), MAus4IMM

Mr Richardson is a geologist who has been involved in the Australian exploration and mining industry for over 26 years. He has many years experience in planning, conducting and evaluating gold, base metal, uranium and diamond projects. He has also held senior management positions with a number of listed junior exploration companies. Mr Richardson is presently also a director of Royal Resources Limited (since 2004).

Former Directorships in last three years

Aldershot Resources Ltd from 2004 to 2008.

Special Responsibilities

Exploration Director

Member of the Audit Committee from December 2004

Member of Nomination Committee from December 2004

Member of Remuneration Committee from December 2004

MALCOLM J RANDALL

(Non-Executive Director) Age 63 - B.Applied Chem, MAICD

Mr Randall holds a Bachelor of Applied Chemistry Degree and is a member of the Australian Institute of Company Directors. He has extensive experience in corporate, management and marketing in the resource sector, including more than 20 years with the Rio Tinto group of companies. His experience has covered a diverse range of mineral activities including Iron Ore, Base Metals, Uranium, Minerals sands and Coal.

Mr Randall is presently also the Chairman of Iron Ore Holdings Ltd (since 2003) and a director of United Minerals Corporation NL (since 2004), Summit Resources Limited (since 2007) and Royal Resources Limited (since 2006).

Former Directorships in last three years

Titan Resources NL from 1999 to 2005.

Consolidated Minerals Ltd from 2003 to 2005

Northern Mining Limited from 2007 to 2008

Olympia Resources Ltd from 2006 to 2008

Special Responsibilities

Chairman of Audit Committee from December 2004

Member of Nomination Committee from December 2004

Member of Remuneration Committee from December 2004

INTEREST IN THE SHARES AND OPTIONS OF THE COMPANY

As at the date of this report, the interests of the Directors in shares and options of Thundelarra Exploration Ltd were:

	Number of Ordinary Shares	Number of Options over Ordinary Shares
Mr Philip G Crabb	17,941,813	1,750,000
Mr Brett T Lambert	-	3,000,000
Mr Frank DeMarte	1,804,726	1,850,000
Mr Brian D Richardson	1,036,581	1,850,000
Mr Malcolm J Randall	350,000	900,000

COMPANY SECRETARY

FRANK DEMARTE Age 46 - BBus, Fcis, Maicd

The Company Secretary is Mr Frank DeMarte. Mr DeMarte has over twenty four (24) years of experience in the mining and exploration industry in Western Australia and has held executive positions with a number of listed mining and exploration companies.

Mr DeMarte is experienced in areas of secretarial practice, management accounting and corporate and financial management. Mr DeMarte holds a Bachelor of Business majoring in Accounting and is a Fellow of the Chartered Secretaries of Australia.

Mr DeMarte was appointed to the position on 8 September 2003.

PRINCIPAL ACTIVITY

The principal activity of the Consolidated Entity during the year was mineral exploration in Australia. Other than the foregoing, there were no significant changes in those activities during the year.

RESULT OF OPERATIONS

During the year the Consolidated Entity incurred a consolidated operating profit/(loss) after tax of \$(9,945,561) (2007 - \$1,146,384).

REVIEW OF OPERATIONS

A detailed review of operations for the Consolidated Entity is set out on page 3 to 12 of this report.

DIVIDENDS

No dividends have been paid during the financial year and no dividend is recommended for the current year.

NATIVE TITLE

Claims of native title over certain of the Consolidated Entity's tenements have been made, and may in the future be made under the Commonwealth Native Title Act. In the event that native title is established by an indigenous community over an area that is subject to the Company's mining tenements, the nature of the native title may be such that consent to mining may be required from that community but is withheld.

No determination of native title has yet been made by the Federal Court or any other body with appropriate jurisdiction in respect of any of the land the subject of the Company's tenements. It is also possible that some of the existing claims may be removed from the National Native Title Tribunal Register for failure to satisfy the new registration test which became operative upon proclamation of the Native Title Amendment Act 1998.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Consolidated Entity during the financial year not otherwise dealt with in this report.

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Since the end of the financial period, the Directors are not aware of matter or circumstance not otherwise dealt with in this report or the Financial Statements, that has significantly or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in subsequent years with the exception of any matters mentioned in Note 27 of this report.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Details of important developments in the operations of the Consolidated Entity are set out in the review of operations section of this report. The Consolidated Entity will continue to explore its Australian tenement areas of interest for minerals, and any significant information or data will be released in the market and to shareholders.

ENVIRONMENTAL ISSUES AND REGULATIONS

The Consolidated Entity has interests in mining tenements (including prospecting, exploration and mining leases). The leases and licence conditions contain environmental obligations. The Consolidated Entity has assessed whether there are any particular or significant environmental regulations which apply. It has determined that the risk of non-compliance is low, and has not identified any compliance breaches during the year.

CORPORATE INFORMATION

Thundelarra Exploration Ltd	Parent entity
Element 92 Pty Ltd	100% owned controlled entity

SHARES UNDER OPTION

As at the date of this report, there were 30,676,344 unissued ordinary shares of the Company under option as follows:

Date options granted	Expiry date	Exercise price of options	Number of options
27 February 2004	26 February 2009	\$0.675	1,970,000
31 May 2005	31 May 2009	\$0.22	350,000
12 April 2006	12 April 2009	\$0.40	2,500,000
7 July 2006	30 June 2009	\$0.19	11,856,344
15 February 2007	28 February 2010	\$0.55	200,000
1 March 2007	28 February 2010	\$0.50	1,500,000
3 May 2007	31 May 2010	\$0.50	1,000,000
3 May 2007	31 May 2011	\$0.68	1,000,000
1 August 2007	30 June 2011	\$0.52	360,000
30 November 2007	30 November 2010	\$0.45	4,500,000
10 January 2008	31 December 2011	\$0.47	350,000
27 February 2008	28 February 2013	\$0.50	4,250,000
4 April 2008	3 April 2011	\$0.39	400,000
3 July 2008	30 June 2012	\$0.52	440,000

SHARES UNDER OPTION (continued)

During the financial year, 1,020,000 options were exercised at \$0.325, 246,876 options were exercised at \$0.19, 75,000 options exercisable at \$0.325 expired on 28 March 2008 and 11,000,000 options exercisable at \$0.655 expired on 20 November 2007. Since the end of the financial year, no further options have been exercised or have expired. Optionholders do not have any right, by virtue of the option, to participate in any share issue of the Company or any other entity.

SHARES ISSUED AS A RESULT OF THE EXERCISE OF OPTIONS

During the financial year, 1,266,876 options were exercised to acquire ordinary fully paid shares in the Company. Since the end of the financial year, no further options have been exercised to acquire ordinary fully paid shares in the Company.

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for each director of the Company.

(a) Details of Key Management Personnel

The following persons were Directors of Thundelarra Exploration Ltd during the financial year:

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

There are no executives (other than directors) with authority for making strategic decisions and management.

(b) Compensation of Key Management Personnel

(i) Compensation Policy

The Company's remuneration policy for executive directors is designed to promote superior performance and long term commitment to the Company. Executives receive a base remuneration, which is market related. Overall, the remuneration policy is subject to the discretion of the Board and can be altered to reflect the competitive market and business conditions, where it is in the best interest of the Company and the shareholders to do so.

The Board's reward policy reflects its obligations to align executives' remuneration with shareholders' interests and to retain appropriately qualified executive talent for the benefit of the Company. The main principles of the policy are:

- Reward reflects the competitive market in which the Company operates;
- Individual reward should be linked to performance criteria; and
- Executives should be rewarded for both financial and non-financial performance.

Directors' and executives' remuneration is reviewed by the board of directors, having regard to various goals set. This remuneration and other terms of employment are commensurate with those offered within the exploration and mining industry.

Non-executive directors' remuneration is in the form of directors' fees and are approved by shareholders as to the maximum aggregate remuneration. The Board recommends the actual payment to non-executive directors. The Board's reward policy for non-executive directors reflects its obligation to align remuneration with shareholders' interests and to retain appropriately qualified talent for the benefit of the Company.

Remuneration packages are set at levels that are intended to attract and retain directors and executives capable of managing the Company's operations.

(A) Remuneration Committee

The Remuneration Committee comprises the entire Board of Directors of the Company and is responsible for determining and reviewing compensation arrangements for the directors and all other key management personnel.

The Remuneration Committee assesses the appropriateness of the nature and amount of compensation of key management personnel on an annual basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team.

(B) Remuneration Structure

In accordance with best practice corporate governance, the structure of non-executive director and executive compensation is separate and distinct.

REMUNERATION REPORT (AUDITED) (continued)**(C) Non-Executive Director Compensation***Objective*

The Board seeks to set aggregate compensation at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

Structure

The Constitution and the ASX Listing Rules specify that the aggregate compensation of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed.

The amount of aggregate compensation sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers advice from external consultants as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Each director receives a fee for being a director of the Company. An additional fee may also be paid for each Board committee on which a director sits. The payment of additional fees for serving on a committee recognises the additional time commitments required by directors who serve on one or more sub committees.

Each non executive director receives \$50,000 per annum effective from 1 July 2008 (\$45,000 per annum prior to 1 July 2008), inclusive of any superannuation obligations for being a director of the Company. The exception to this fee structure is the Chairman of the Board who receives \$60,000 per annum plus superannuation (\$50,000 per annum prior to 1 July 2008).

Non-executive directors have long been encouraged by the Board to hold shares in the Company (purchased by the director on market). It is considered good governance for directors to have a stake in the Company on whose board they sit.

The compensation of non-executive directors for the year ended 30 September 2008 is detailed as per the disclosures on page 18.

(D) Executive Compensation*Objective*

The entity aims to reward executives with a level and mix of compensation commensurate with their position and responsibilities within the entity so as to:

- reward executives for company, business unit and individual performance against targets set by to appropriate benchmarks;
- align the interests of executives with those of shareholders;
- link rewards with the strategic goals and performance of the company; and
- ensure total compensation is competitive by market standards

Structure

In determining the level and make-up of executive remuneration, the remuneration committee will review individual performance, relevant comparative compensation in the market and internally and, where appropriate, external advice on policies and practices.

The Company has entered into detailed contracts of employment with the Managing Director and the Executive Directors, details of these contracts are provided on page 19.

(E) Fixed Compensation*Objective*

Fixed compensation is reviewed annually by the Remuneration Committee. The process consists of a review of companywide, business unit and individual performance, relevant comparative compensation in the market and internally and, where appropriate, external advice on policies and practices.

Structure

Executives are given the opportunity to receive their fixed remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

REMUNERATION REPORT (AUDITED) (continued)

(F) Other Compensation

Notwithstanding Guideline 9.3 of the ASX Corporate Governance Council Principles of Good Corporate Governance and Best Practice Recommendations which provides that non-executive Directors should not receive Options, the Directors consider that the grant of the options is designed to encourage the Directors to have a greater involvement in the achievement of the Company's objectives and to provide an incentive to strive to that end by participating in the future growth and prosperity of the Company through share ownership.

Under the Company's current circumstances the granting of options is an incentive to each of the Directors, which is a cost effective and efficient reward for the Company, as opposed to alternative forms of incentive, such as the payment of additional cash compensation to the Directors.

Details of the remuneration of each director of Thundelarra Exploration Ltd, including their personally related entities are set out below:

Remuneration of key management personnel for the year ended 30 September 2008

		Short-Term			Post Employment		Share Based Payment	Total	% Remuneration
Directors		Salary & Fees	Consultancy Fees	Other ⁽⁶⁾	Superannuation	Long Service Leave	Equity Options		Consisting of Options for the Year
Philip G Crabb Chairman ⁽¹⁾	2008	52,500	500	-	4,725	4,328	116,550	178,603	65%
	2007	95,121	13,073	(4,570)	48,333	-	37,800	189,757	20%
Brett T Lambert ⁽²⁾ Managing Director	2008	258,896	-	6,725	42,694	858	155,400	464,573	33%
	2007	115,288	-	(2,035)	10,376	-	486,465	610,094	80%
F DeMarte Executive Director	2008	191,547	-	7,240	17,700	31,046	155,400	402,933	39%
	2007	140,516	-	26,673	56,750	-	75,600	299,539	25%
B D Richardson ⁽³⁾ Executive Director	2008	152,709	18,698	15,963	37,814	33,330	155,400	413,914	38%
	2007	71,999	41,660	(4,933)	78,946	-	75,600	263,272	29%
R W Crabb ⁽⁴⁾ Non Executive Director	2008	-	-	-	-	-	-	-	-
	2007	24,092	-	-	9,042	-	-	33,134	-
M JR Randall Non Executive Director	2008	34,642	-	-	12,733	-	77,700	125,075	62%
	2007	1,500	29,684	-	13,500	-	37,800	82,484	46%
Totals	2008	690,294	19,198	29,953	115,666	69,562	660,450	1,585,123	42%
	2007	448,516	84,417	15,135	216,947	-	713,265	1,478,280	48%

(1) Drilling services totalling \$Nil (2007 - \$13,073) were paid to Ragged Range Mining Pty Ltd, a company in which Mr P G Crabb is a director and shareholder. These services were provided under normal commercial terms and conditions.

(2) Mr Brett T Lambert was appointed the Managing Director on 28 September 2007.

(3) Geological and consulting services totalling \$14,115 (2007 - \$41,660) were paid to REM Pty Ltd, a company in which Mr B Richardson is a director and shareholder. These services were provided under normal commercial terms and conditions.

(4) Mr Rick W Crabb resigned as a director on 13 June 2007.

(5) The percentage of remuneration which is performance related is nil.

(6) In respect to other, the amounts relate to the annual leave expensed during the year.

REMUNERATION REPORT (AUDITED) (continued)

During the financial year the directors of the Company were the only 5 named executives who received the highest remuneration for the year ended 30 September 2008.

(c) Compensation by Category: Key Management Personnel

	Consolidated and Parent Entity	
	2008 \$	2007 \$
Short Term	739,445	548,068
Post Employment	115,666	216,947
Share Based Payments	660,450	713,265
Long Term	69,562	-
	1,585,123	1,478,280

(d) Employment Agreements for Directors

Mr Brett Lambert – Managing Director

- Term of the agreement – 8 years commencing 1 May 2007.
- Base salary, inclusive of superannuation, of \$299,750 increased to \$321,768 effective 1 July 2008, reviewed annually.
- Payment of a benefit on early termination by the Company, other than gross misconduct, equal to 6 months base salary including superannuation.

Mr Frank DeMarte – Executive Director, Company Secretary and CFO

- Term of the agreement – no fixed term.
- Base salary, inclusive of superannuation, of \$218,000 increased to \$237,620 effective 1 July 2008, reviewed annually.
- Payment of a benefit on early termination by the Company, other than gross misconduct, equal to 6 months base salary including superannuation.

Mr Brian Richardson – Executive Director

- Term of the agreement – no fixed term.
- Base salary, inclusive of superannuation, of \$218,000 to \$237,620 effective 1 July 2008, reviewed annually.
- Payment of a benefit on early termination by the Company, other than gross misconduct, equal to 6 months base salary including superannuation.

(e) Share Based Compensation Options

During the financial year options were granted as equity compensation benefits to key management personnel. The options were issued at no consideration. Each option entitles the holder to subscribe for one fully paid ordinary share in the equity at the exercise price. The contractual life of each option granted is three to five years. No options have been granted since the end of the year to key management personnel and there are no unvested options as at 30 September 2008. For further details relating to options, refer to note 22.

REMUNERATION REPORT (AUDITED) (continued)

(e) Share Based Compensation Options (continued)

Compensation Options: Granted and vested during the year ended 30 September 2008.

	Vested	Granted			Terms and Conditions for each Grant			
30 September 2008	Number	Number	Grant Date	Fair Value per option at Grant Date	Exercise Price per option	Expiry Date	First Exercise Date	Last Exercise Date
				(\$) (Note 22)	(\$) (Note 22)			
P G Crabb	750,000	750,000	27/02/08	\$0.155	\$0.50	28/02/13	27/02/08	28/02/13
B T Lambert	1,000,000	1,000,000	27/02/08	\$0.155	\$0.50	28/02/13	27/02/08	28/02/13
B D Richardson	1,000,000	1,000,000	27/02/08	\$0.155	\$0.50	28/02/13	27/02/08	28/02/13
F DeMarte	1,000,000	1,000,000	27/02/08	\$0.155	\$0.50	28/02/13	27/02/08	28/02/13
M R Randall	500,000	500,000	27/02/08	\$0.155	\$0.50	28/02/13	27/02/08	28/02/13
Total	4,250,000	4,250,000						

Compensation Options: Granted and vested during the year ended 30 September 2007.

	Vested	Granted			Terms and Conditions for each Grant			
30 September 2007	Number	Number	Grant Date	Fair Value per option at Grant Date	Exercise Price per option	Expiry Date	First Exercise Date	Last Exercise Date
				(\$) (Note 22)	(\$) (Note 22)			
P G Crabb	250,000	250,000	1/03/07	\$0.151	\$0.50	28/02/10	1/03/07	28/02/10
B T Lambert	1,000,000	1,000,000	3/05/07	\$0.238	\$0.50	31/05/10	3/05/07	31/05/10
B T Lambert	1,000,000	1,000,000	3/05/07	\$0.248	\$0.68	31/05/11	3/05/07	31/05/10
B D Richardson	500,000	500,000	1/03/07	\$0.151	\$0.50	28/02/10	1/03/07	28/02/10
F DeMarte	500,000	500,000	1/03/07	\$0.151	\$0.50	28/02/10	1/03/07	28/02/10
M R Randall	250,000	250,000	1/03/07	\$0.151	\$0.50	28/02/10	1/03/07	28/02/10
Total	3,500,000	3,500,000						

REMUNERATION REPORT (AUDITED) (continued)**(f) Shares Issued on exercise of compensation options**

During the year the following shares were issued to directors on exercise of compensation options for the year ended 30 September 2008.

30 September 2008	Number of Options Exercised	Number of Shares Issued	Amount Paid	Unpaid per Share	Value at Exercise Date \$
B D Richardson	350,000	350,000	\$113,750	-	141,750
F DeMarte	350,000	350,000	\$113,750	-	141,750
M R Randall	150,000	150,000	\$48,750	-	60,750
Total	850,000	850,000	\$276,250	-	344,250

No other key management personnel exercised options during the year ended 30 September 2008.

No shares were issued to directors on exercise of compensation options for the year ended 30 September 2007.

(g) Options granted as part of remuneration

The following table summarises the value of options granted, exercised or lapsed for the year ended 30 September 2008.

30 September 2008	Value of options granted during the year	Value of options exercised during the year	Value of options lapsed during the year	% Remuneration Consisting of Options for the year
P G Crabb	116,550	-	-	65%
B T Lambert	155,400	-	-	33%
B D Richardson	155,400	28,000	-	38%
F DeMarte	155,400	28,000	-	39%
M R Randall	77,700	12,000	-	62%
Total	660,450	68,000	-	42%

The following table summarises the value of options granted, exercised or lapsed for the year ended 30 September 2007.

30 September 2007	Value of options granted during the year \$	Value of options exercised during the year \$	Value of options lapsed during the year \$	% Remuneration Consisting of Options for the year
P G Crabb	37,800	(53,625)	-	20%
B T Lambert	486,465	-	-	80%
B D Richardson	75,600	-	-	29%
F DeMarte	75,600	-	-	25%
R W Crabb ⁽¹⁾	-	9,750	-	-
M R Randall	37,800	-	-	46%
Total	713,265	(43,875)	-	48%

(1) Mr Rick W Crabb resigned as a director on 13 June 2007.

There were no alterations to the terms and conditions of options granted as remuneration since their grant.

REMUNERATION REPORT (AUDITED) (continued)

(g) Options granted as part of remuneration (continued)

The value of the options exercised during the year is calculated as the market price of shares of the Company on the Australian Securities Exchange as at the close of trading on the date the options were exercised after deducting the price paid to exercise the options.

Options issued to directors and employees vest on the basis that continual employment with the Company is achieved. All employees leaving while options are vesting will forfeit their options.

For details on the valuation of the options, including models and assumptions used, please refer to Note 22. There were no alterations to the terms and conditions of options granted as remuneration since their grant date.

DIRECTORS' MEETINGS

The following table sets out number of meetings of directors held during the year and the number of meetings attended by each director are:

Name	Board of Directors' Meetings		Audit Committee Meetings		Remuneration Committee Meetings	
	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend
P G Crabb	6	6	2	2	1	1
B T Lambert	6	6	2	2	1	1
B D Richardson	6	6	2	2	1	1
F DeMarte	6	6	2	2	1	1
M J Randall	6	6	2	2	1	1

Committee Memberships

As at the date of this report, the Company had an Audit Committee, Remuneration Committee and a Nomination Committee.

Audit	Remuneration	Nomination
M J Randall ^(C)	M J Randall ^(C)	M J Randall ^(C)
B Richardson	B D Richardson	B D Richardson
	B T Lambert	B T Lambert
	P G Crabb	P G Crabb
	F DeMarte	F DeMarte

Note: (C) Designates the Chairman of the Committee.

RESIGNATION, ELECTION AND CONTINUATION IN OFFICE

In accordance with the Constitution of the Company, Philip G Crabb and Brian D Richardson retire by rotation at the Annual General Meeting and, being eligible, offer themselves for re-election.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Consolidated Entity or intervene in any proceedings to which the Consolidated Entity is a party for the purpose of taking responsibility on behalf of the Consolidated Entity for all or any part of those proceedings.

The Company was not a party to any such proceedings during the period.

INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, the Company paid premiums to insure the Directors of the Company. The liabilities insured are costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the Directors and officers in their capacity as officers of the Company.

AUDITOR INDEPENDENCE

The auditor's independence declaration for the year ended 30 September 2008 has been received and can be found on page 67.

NON-AUDIT SERVICES

The following non-audit services were provided by the entity's auditor, Stantons International or its related parties. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Stantons International received or are due to receive the following amounts for the year ended 30 September 2008 for provision of non-audit services:

	2008 \$	2007 \$
Other services	12,000	-

Signed in accordance with a resolution of the Directors.



BRETT T LAMBERT
Managing Director

Perth, Western Australia
19 December 2008.

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2008

Thundelarra Exploration NL (“**Company**”) has made it a priority to adopt systems of control and accountability as the basis for the administration of corporate governance. Some of these policies and procedures are summarised in this statement. Commensurate with the spirit of the ASX Corporate Governance Council’s Principles of Good Corporate Governance and Best Practice Recommendations (“**ASX Principles and Recommendations**”), the Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where, after due consideration, the Company’s corporate governance practices depart from a recommendation, the Board has offered full disclosure and reason for the adoption of its own practice, in compliance with the “if not, why not” regime.

The Company has undertaken a review of its governance documentation as a consequence of the revision to the ASX Principles and Recommendations. The Company will be reporting against the revised ASX Principles and Recommendations in its next annual report.

Further information about the Company’s corporate governance practices including the relevant information on the Company’s charters, code of conduct and other policies and procedures is set out on the Company’s website at www.thundelarra.com.

EXPLANATIONS FOR DEPARTURES FROM BEST PRACTICE RECOMMENDATIONS

During the Company’s 2007/2008 financial year (“**Reporting Period**”) the Company has followed each of the ASX Principles and Recommendations¹, other than in relation to the matters specified below.

Principle 2

Recommendation 2.1: A majority of the Board should be independent directors.

Notification of Departure: Currently the Board is comprised of 5 members, one of whom is independent.

Explanation for Departure: The Board considers that its current composition is the most appropriate for the Company’s circumstances and includes an appropriate mix of skills and expertise relevant to the Company’s business.

Principle 2

Recommendation 2.2: The chairperson should be an independent director.

Notification of Departure: The Chairperson, Mr Phillip Crabb, is not an independent director.

Explanation for Departure: Mr Philip Crabb is not independent by virtue of his substantial shareholding. However, the Board considers that he has demonstrated and continues to demonstrate that he is able to make decisions that are in the best interest of the Company. Further, the Board acknowledges Mr Philip Crabb’s substantial industry experience and knowledge. In these circumstances, the Board believes that Mr Philip Crabb is the most appropriate person for the position of chair.

Principle 2

Recommendation 2.4: The Board should establish a nomination committee.

Notification of Departure: A separate nomination committee has not been formed.

Explanation of Departure: The full Board carries out the function of the nomination committee. Due to the small size and structure of the Board, the Board considers that at this stage, no efficiencies or other benefits would be gained by establishing a separate nomination committee. The Board has adopted, and applies, a Nomination Committee Charter.

Principle 4

Recommendation 4.3: The Board should structure its audit committee so that it consists of only non-executive directors, a majority of a independent directors, a chair who is not chair of the Board and has at least 3 members.

Notification of Departure: The Audit Committee is not structured in accordance with the compositional recommendation as it is currently comprised of two members, one of whom is an executive director and, as a consequence, does not have a majority of independent members.

Explanation of Departure: The Board’s current composition does to provide for an audit committee to be formed in accordance with the recommendation. The Board believes however that the current Audit Committee members are the most suitable to form the committee. Further, the Board has adopted an Audit Committee Charter which the Audit Committee applies when convening.

Principle 9

Recommendation 9.2: The Board should establish a remuneration committee.

Notification of Departure: A separate remuneration committee has not been formed.

Explanation for Departure: The full Board carries out the function of the remuneration committee. Due to the small size and structure of the Board, a separate remuneration committee is not considered to add any efficiency to the process of determining the levels of remuneration for the directors and key executives. When considering matters of remuneration, the Board functions in accordance with the Remuneration Committee Charter adopted by the Board.

¹ A copy of the ASX Principles and Recommendations is set out on the Company’s website under the Section entitled “Corporate Governance”.

NOMINATION COMMITTEE

The full Board, in its capacity as the Nomination Committee, held one meeting during the Reporting Period. All Board members attended the meeting.

AUDIT COMMITTEE

The Audit Committee held two meetings during the Reporting Period. Messrs Randall (Independent Chair) and Richardson comprise the Audit Committee. Both attended the meetings of the Audit Committee held during the Reporting Period.

Details of each of the Audit Committee member's qualifications are set out in the Director's Report.

While none of the Audit Committee members are financial experts, both members consider themselves to be financially literate and have significant industry experience. Further, Mr Frank Demarte, the Chief Financial Officer and Company Secretary, is available to attend Audit Committee meetings by invitation and to answer any questions the Audit Committee may have.

REMUNERATION COMMITTEE

Details of remuneration, including the Company's policy on remuneration, are contained in the "Remuneration Report" which forms of part of the Directors' Report.

The full Board, in its capacity as the Remuneration Committee, held one meeting during the Reporting Period. All Board members attended the meeting.

OTHER

Skills, Experience, Expertise and term of office of each Director

A profile of each director containing the applicable information is set out in the Directors' Report.

Identification of Independent Directors

In considering the independence of directors, the Board refers to the criteria for independence as set out in Box 2.1 of the ASX Principles and Recommendations ("**Independence Criteria**"). To the extent that it is necessary for the Board to consider issues of materiality, the Board refers to the thresholds for qualitative and quantitative materiality as adopted by the Board and contained in the Board Charter, which is disclosed in full on the Company's website.

Applying the Independence Criteria, the independent director of the Company is Malcolm Randall.

Statement concerning availability of Independent Professional Advice

If a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a director then, provided the director first obtains approval for incurring such expense from the Chair, the Company will pay the reasonable expenses associated with obtaining such advice.

Confirmation whether performance Evaluation of the Board and its members have taken place and how conducted

During the Reporting Period a formal evaluation of the Board members was not carried out. However, the composition of the Board and its suitability to carry out the Company's objectives was informally discussed from time to time.

Existence and Terms of any Schemes for Retirement Benefits for Non-Executive Directors

There are no termination or retirement benefits for non-executive directors.

DISCLOSURE CONTROLS

The Company is committed to ensuring that shareholders and the market are provided with full and timely information and that all stakeholders have equal and timely access to material information concerning the Company.

INCOME STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2008

		Consolidated		Parent Entity	
	Notes	2008 \$	2007 \$	2008 \$	2007 \$
REVENUE	4	9,934,764	913,282	9,927,504	913,181
Expenses					
Administrative costs		(42,019)	(6,513)	(10,898)	(5,900)
Depreciation	11	(127,721)	(79,895)	(123,464)	(79,895)
Office and miscellaneous		(368,681)	(215,591)	(364,980)	(215,586)
Professional fees		(218,803)	(168,215)	(217,603)	(162,112)
Regulatory and trust company fees		(81,388)	(96,197)	(81,176)	(95,715)
Shareholder and investor relations		(101,683)	(146,100)	(101,683)	(146,100)
Share based payments expense	4	(829,636)	(747,115)	(829,636)	(747,115)
Travelling expenses		(37,028)	(16,515)	(37,028)	(16,515)
Employee benefits expense		(1,013,578)	(679,001)	(1,013,578)	(679,001)
Exploration expenditure written off	12	(10,066,181)	(918,589)	(6,765,696)	(918,589)
Mine properties and development expenditure		(2,002,776)	-	-	-
Impairment of construction in progress		(537,976)	-	-	-
Diminution in investments in subsidiary		-	-	(3,129,000)	(168,450)
Provision for non-recovery of intercompany loan		-	-	(976,560)	(194,907)
Impairment of assets	9	-	-	(2,600,000)	-
Change in fair value of investments		(808,016)	(166,022)	(808,016)	(166,022)
Other operating expenses		(70,300)	(36,471)	(70,300)	(36,471)
Loss before income tax expense		(6,371,022)	(2,362,942)	(7,202,114)	(2,719,197)
Income tax (expense)/benefit	5	(3,574,539)	3,509,326	(1,142,264)	3,565,652
Net profit/(loss) attributable to members of Thundelarra Exploration Ltd		(9,945,561)	1,146,384	(8,344,378)	846,455
Profit/(Loss) per share attributable to ordinary equity holders:					
Basic earnings/(loss) (cents per share)	7	(8.83)	1.10	-	-
Diluted earnings/(loss) (cents per share)		(8.83)	1.03	-	-

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

AS AT 30 SEPTEMBER 2008

	Notes	Consolidated		Parent Entity	
		2008 \$	2007 \$	2008 \$	2007 \$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	6(b)	4,800,613	2,814,510	4,581,709	2,807,807
Trade and other receivables	8	867,828	140,276	184,411	223,926
Other financial assets	9	365,477	752,500	365,477	752,500
TOTAL CURRENT ASSETS		6,033,918	3,707,286	5,131,597	3,784,233
NON-CURRENT ASSETS					
Other receivables	8	561,581	127,581	561,581	127,581
Other financial assets	9	22,644,000	27,820,589	22,644,000	27,820,589
Property, plant and equipment	11	1,656,573	258,770	380,223	258,770
Exploration expenditure	12(a)	4,294,264	7,550,037	3,066,559	7,098,132
Deferred tax asset	13	352,330	5,718,206	2,472,619	5,695,092
Intangible asset	14	121,680	-	121,680	-
TOTAL NON-CURRENT ASSETS		29,630,428	41,475,183	29,246,662	41,000,164
TOTAL ASSETS		35,664,346	45,182,469	34,378,259	44,784,397
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	15	2,291,874	161,401	384,743	142,698
Provisions	16	138,941	89,282	138,941	89,282
TOTAL CURRENT LIABILITIES		2,430,815	250,683	523,684	231,980
NON-CURRENT LIABILITIES					
Provisions	16	413,382	22,197	101,484	22,197
Deferred tax liability	17	7,378,151	9,718,606	7,009,839	9,639,166
TOTAL NON-CURRENT LIABILITIES		7,791,533	9,740,803	7,111,323	9,661,363
TOTAL LIABILITIES		10,222,348	9,991,486	7,635,007	9,893,343
NET ASSETS		25,441,998	35,190,983	26,743,252	34,891,054
EQUITY					
Contributed equity	18(a)	32,794,405	30,408,499	32,794,405	30,408,499
Reserves	18(d)	17,247,879	19,437,209	17,247,879	19,437,209
Accumulated losses	19	(24,600,286)	(14,654,725)	(23,299,032)	(14,954,654)
TOTAL EQUITY		25,441,998	35,190,983	26,743,252	34,891,054

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2008

		Contributed Equity	Reserves	Accumulated Losses	Total
CONSOLIDATED	Notes	\$	\$	\$	\$
At 1 October 2006		26,695,050	2,901,872	(15,801,109)	13,795,813
Profit for the year		-	-	1,146,384	1,146,384
		26,695,050	2,901,872	(14,654,725)	14,942,194
Net unrealised gains on available for sale financial assets	18(d)	-	23,584,717	-	23,584,717
Deferred tax on items recognised directly in equity	18(d)	-	(7,509,726)	-	(7,509,726)
Transfer of fair value reserve to income	18(d)	-	(286,769)	-	(286,769)
Cost of share based payments	18(d)	-	747,115	-	747,115
Shares issued during the year	18(b)	3,900,213	-	-	3,900,213
Transaction costs	18(b)	(186,764)	-	-	(186,764)
		3,713,449	16,535,337	-	20,248,786
At 30 September 2007		30,408,499	19,437,209	(14,654,725)	35,190,983

CONSOLIDATED					
At 1 October 2007		30,408,499	19,437,209	(14,654,725)	35,190,983
Profit/(Loss) for the year		-	-	(9,945,561)	(9,945,561)
		30,408,499	19,437,209	(24,600,286)	25,245,422
Net gains on available for sale financial assets	18(d)	-	3,468,000	-	3,468,000
Deferred tax on items recognised directly in equity	18(d)	-	549,117	-	549,117
Transfer of fair value reserve to income	18(d)	-	(8,157,583)	-	(8,157,583)
Cost of share based payments	18(d)	-	1,951,136	-	1,951,136
Shares issued during the year	18(b)	2,385,906	-	-	2,385,906
Transaction costs	18(b)	-	-	-	-
		2,385,906	(2,189,330)	-	(196,576)
At 30 September 2008		32,794,405	17,247,879	(24,600,286)	25,441,998

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

FOR THE YEAR ENDED 30 SEPTEMBER 2008

		Contributed Equity	Reserves	Accumulated Losses	Total
PARENT	Notes	\$	\$	\$	\$
At 1 October 2006		26,695,050	2,901,872	(15,801,109)	13,795,813
Profit/(Loss) for the year		-	-	846,455	846,455
		26,695,050	2,901,872	(14,954,654)	14,642,268
Net unrealised gains on available for sale financial assets	18(d)	-	23,584,717	-	23,584,717
Deferred tax on items recognised directly in equity	18(d)	-	(7,509,726)	-	(7,509,726)
Transfer of fair value reserve to income	18(d)	-	(286,769)	-	(286,769)
Cost of share based payments	18(d)	-	747,115	-	747,115
Shares issued during the year	18(b)	3,900,213	-	-	3,900,213
Transaction costs	18(b)	(186,764)	-	-	(186,764)
		3,713,449	16,535,337	-	20,248,786
At 30 September 2007		30,408,499	19,437,209	(14,954,654)	34,891,054

PARENT					
At 1 October 2007		30,408,499	19,437,209	(14,954,654)	34,891,054
Profit/(Loss) for the year		-	-	(8,344,378)	(8,344,378)
		30,408,499	19,437,209	(23,299,032)	26,546,676
Net gains on available for sale financial assets	18(d)	-	3,468,000	-	3,468,000
Deferred tax on items recognised directly in equity	18(d)	-	549,117	-	549,117
Transfer of fair value reserve to income	18(d)	-	(8,157,583)	-	(8,157,583)
Cost of share based payments	18(d)	-	1,951,136	-	1,951,136
Shares issued during the year	18(b)	2,385,906	-	-	2,385,906
Transaction costs	18(b)	-	-	-	-
		2,385,906	(2,189,330)	-	(196,576)
At 30 September 2008		32,794,405	17,247,879	(23,299,032)	26,743,252

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

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2008

		Consolidated		Parent Entity	
	Note	2008 \$	2007 \$	2008 \$	2007 \$
CASH FLOWS FROM OPERATING ACTIVITIES					
Other revenue received	4	71,920	762	71,920	762
Payment to suppliers		(1,669,505)	(1,598,237)	(1,560,982)	(1,693,386)
Interest paid		(1,565)	-	(1,429)	-
Interest received		519,603	197,589	512,343	197,488
Net cash outflow from operating activities	6(a)	(1,079,547)	(1,399,886)	(978,148)	(1,495,136)
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for investments		(76,321)	(344,446)	(76,321)	(344,446)
Payments for purchase of plant, equipment and vehicles		(1,694,979)	(123,690)	(246,182)	(123,690)
Payment for investment in joint venture		-	-	(2,600,000)	-
Payment of intangibles		(121,680)	-	(121,680)	-
Payment for mine development		(1,690,878)	-	-	-
Proceeds from sale of investments	4	9,473,483	784,163	9,473,483	784,163
Proceeds from sale of plant, equipment and vehicles		3,500	1,950	3,500	1,950
Placement of security deposits		(434,000)	(99,396)	(434,000)	(99,396)
Loan to controlled entity		-	-	(976,560)	(190,000)
Redemption of security deposits		-	53,086	-	53,086
Exploration and evaluation expenditure		(3,595,881)	(2,522,264)	(2,648,596)	(2,243,667)
Net cash inflow/(outflow) from investing activities		1,863,244	(2,250,597)	2,373,644	(2,162,000)
CASH FLOWS FROM FINANCING ACTIVITIES					
Net proceeds from issue of shares and options	18(b)	1,202,406	3,900,213	378,406	3,900,213
Share issue costs	18(b)	-	(186,764)	-	(186,764)
Funding of Copernicus JV by joint venture partner		824,000	-	-	-
Net cash inflow from financing activities		378,406	3,713,449	378,406	3,713,449
Net increase/(decrease) in cash and cash equivalents held		1,986,103	62,966	1,773,902	56,313
Cash and cash equivalents at the beginning of the financial year		2,814,510	2,751,544	2,807,807	2,751,494
Cash and cash equivalents at the end of the financial year	6(b)	4,800,613	2,814,510	4,581,709	2,807,807

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

1. CORPORATE INFORMATION

The financial report of Thundelarra Exploration Ltd (the Group) for the year ended 30 September 2008 was authorised for issue in accordance with a resolution of the directors on 19 December 2008.

Thundelarra Exploration Ltd is a company limited by shares incorporated and domiciled 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 on pages 3 to 12.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**(a) Basis of Preparation**

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards and Interpretations.

The financial report has also been prepared on the accruals basis and historical cost basis except for available-for-sale investments and investments held for trading which have been measured at fair value. The carrying value of recognised assets and liabilities that are hedged items in fair value hedges, and are otherwise carried at cost, are adjusted to record changes in the fair values attributable to the risks that are being hedged.

(b) Statement of compliance

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the annual reporting period ended 30 September 2008 and are outlined in note 2(c).

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). The Consolidated financial report also complies with International Financial Reporting Standards (IFRS).

(c) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 September 2008 reporting periods. The Group and parents entity's assessment of the impact of new standards and interpretations that may affect the Group and the parents entity's is set out below.

- (i) AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8

AASB 8 and AASB 2007-3 are effective for annual reporting periods commencing on or after 1 January 2009. AASB 8 will result in a significant change in the approach to segment reporting, as it requires adoption of a 'management approach' to reporting on financial performance. The information being reported will be based on what the key decision makers use internally for evaluating segment performance and deciding how to allocate resources to operating segments. The Group has not yet decided when to adopt AASB 8. Application of AASB 8 may result in different segments, segment results and different types of information being reported in the segment note of the financial report. However, at this stage, it is not expected to affect any of the amounts recognised in the financial statements.

- (ii) Revised AASB 123 Borrowing Costs and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12].

The revised AASB 123 is applicable to annual reporting periods commencing on or after 1 January 2009. It has removed the option to expense all borrowing costs and - when adopted - will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. There will be no impact on the financial report of the Group, as the Group does not have any borrowings.

- (iii) Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101.

A revised AASB 101 was issued in September 2007 and is applicable for annual reporting periods beginning on or after 1 January 2009. It requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. If an entity has made a prior period adjustment or has reclassified items in the financial statements, it will need to disclose a third balance sheet (statement of financial position), this one being as at the beginning of the comparative period. The Group intends to apply the revised standard from 1 October 2009.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(c) New accounting standards and interpretations (continued)**

Certain other and revised Standards and Interpretations have been published that are not mandatory for 30 September 2008 reporting periods. Standards and Interpretations which may be applicable include:

AASB 3	Business Combinations
AASB 127	Consolidated and separate financial statements
AASB 1039	Concise Financial Reports
AASB 1048	Interpretation and Application of Standards
AASB 2008-5 and AASB 2008 -6	Amendments to Accounting Standards arising from the Annual Improvements Project
AASB 2008-1	Share based payments: vesting conditions and cancellations

Adoption of these standards is not expected to have a material effect on the financial performance or position of the Group.

(d) Basis of consolidation

The consolidated financial statements comprise the financial statements of Thundelarra Exploration Ltd and its subsidiary as at 30 September 2008.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated.

(e) Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimate and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Share based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a Black-Scholes option pricing model, using the assumptions detailed in note 22.

Mineral Exploration and Evaluation

Exploration and evaluation expenditure is accumulated in respect of each identifiable area of interest. These costs are carried forward in respect of an area that has not at balance sheet date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active operations in, or relating to, the area of interest are continuing. The ultimate recoupment of the costs carried forward is dependent upon the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Recoverability of potential deferred income tax assets

The Group recognises deferred income tax assets in respect of tax losses to the extent that it is probable that the future utilisation of these losses is considered probable. Assessing the future utilisation of these losses requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing laws. To the extent that future cash flows and taxable income differ significantly from estimates, this could result in significant changes to the deferred income tax assets recognised, which would in turn impact future financial results.

(f) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(g) Cash and cash equivalents**

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as detailed above, net of outstanding bank overdrafts.

(h) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

(i) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the assets are realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(j) Other taxes**

Revenues, expenses and assets are recognised net of amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the assets or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(k) Plant and equipment

Plant and equipment is stated at cost less any accumulated depreciation and any impairment in losses.

i) Depreciation

The depreciable amount of all fixed assets is depreciated on a diminishing value basis over their useful lives to the Group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

- Leasehold improvements – over 5 years
- Plant and equipment – over 4 to 10 years
- Motor vehicles – over 4 years
- Office equipment – over 5 to 8 years

ii) Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the item value of money and the risks specific to the asset.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the period the item is being derecognised.

(l) Exploration, evaluation, development, mine properties and rehabilitation expenditure

(i) Exploration, development and joint venture expenditure carried forward represents an accumulation of net costs incurred in relation to separate areas of interest for which rights of tenure are current and in respect of which:

- (a) such costs are expected to be recouped through successful development and exploitation of the area, or alternatively by its sale, or
- (b) exploration and/or evaluation activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to the areas are continuing.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(l) Exploration, evaluation, development, mine properties and rehabilitation expenditure (continued)**

Accumulated costs in respect of areas of interest, which are abandoned, are written off in the income statement in the year in which the area is abandoned.

The net carrying value of each property is reviewed regularly and, to the extent to which this value exceeds its recoverable amount that excess is fully provided against in the financial year in which this is determined.

When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated then any capitalised exploration and evaluation expenditure is reclassified as capitalised mine development. Prior to the reclassification, capitalised exploration and evaluation expenditure is assessed for impairment.

(ii) Mine development expenditure

Mine development expenditure represents the cost incurred in preparing mines for production and includes stripping and waste removal costs incurred before production commences. These costs are capitalised to the extent that they are expected to be recouped through successful exploitation of the related mining leases. Once production commences, these costs are amortised using the units of production method based on the estimated economically recoverable reserves to which they relate or are written off if the mine property is abandoned.

(iii) Mine Properties

Mine properties expenditure represents the cost incurred in the acquisition of a mining lease and represents the excess of the cost of acquisition over the fair value of the net identifiable assets of the acquired mining lease at the date of acquisition. These costs are capitalised to the extent that they are expected to be recouped through successful exploitation of the related mining leases. Once production commences, these costs are amortised using the units of production method based on the estimated economically recoverable reserves to which they relate or are written off if the mine property is abandoned.

(m) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided by the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(n) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

(o) Employee leave benefits*(i) Wages, salaries, annual leave and sick leave*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of the employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(p) Earnings per share**

- (i) Basic earnings per share ("EPS") is calculated by dividing the net profit/loss attributable to members for the reporting period, after excluding any costs of servicing equity, by the weighted average number of ordinary shares of the Company, adjusted for any bonus issue.
- (ii) Diluted EPS is calculated by dividing the basic EPS, adjusted by the after tax effect of financing costs associated with dilutive potential ordinary shares and the effect on net revenues and expenses of conversion to ordinary shares associated with dilutive potential ordinary shares, by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus issue.

(q) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(r) Borrowing costs

Borrowing costs are recognised as an expense when incurred. Alternatively, borrowing costs can be capitalised for qualifying assets.

(s) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in profit or loss.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term. Lease incentives are recognised in the income statement as an integral part of the total lease expense.

(t) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(u) Interests in joint ventures**

The Group has interests in joint ventures that are jointly controlled operations.

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. A jointly controlled operation involves use of assets and other resources of the venturers rather than establishment of a separate entity. The Group recognises its interest in the jointly controlled operation by recognising the assets that it controls and the liabilities that it incurs. The Group also recognises the expenses that it incurs and its share of the income that it earns from the sale of goods or services by the jointly controlled operation.

(v) Investments

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.

After initial recognition, investments, which are classified as held for trading and available-for-sale, are measured at fair value. Gains or losses on investments held for trading are recognised in the income statement.

Gains or losses on available-for-sale investments are recognised as a separate component of equity.

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification.

Other long-term investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost using the effective interest method.

Amortised cost is calculated by taking into account any discount or premium on acquisition, over the period to maturity.

For investments carried at amortised cost, gains and losses are recognised in income when the investments are derecognised or impaired, as well as thorough the amortisation process.

For investments that are actively traded in organised financial markets, fair value is determined by reference to Stock Exchange quoted market bid prices at the close of business on the balance sheet date.

For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

Purchases and sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place are recognised on the trade date i.e. the date that the Group commits to purchase the asset.

(w) Share-based payment transactions*(i) Equity settled transactions:*

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

There is currently one plan in place the Employee Share Option, which provides benefits to all employees, excluding directors.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a Black-Scholes option pricing model, further details of which are given in note 22.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Thundelarra Exploration Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(w) Share-based payment transactions (continued)**

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of the period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see note 7).

(ii) Cash settled transactions:

The Group also provides benefits to employees in its electronic segment in the form of cash-settled share-based payments, whereby employees render services in exchange for cash, the amounts of which are determined by reference to movements in the price of the shares of Thundelarra Exploration Ltd.

The cost of cash-settled transactions is measured initially at fair value at the grant date using the Black-Scholes formula taking into account the terms and conditions upon which the instruments were granted (see note 22). This fair value is expensed over the period until vesting with recognition of a corresponding liability. The liability is remeasured to fair value at each balance sheet date up to and including the settlement date with changes in fair value recognised in profit or loss.

(x) Comparatives

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures.

(y) Goodwill

Goodwill on acquisition is initially measured at cost being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is not amortised. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicated that the carrying value may be impaired.

As at the acquisition date, any goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies.

Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation.

Goodwill disposed of in this circumstance is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

3. SEGMENT INFORMATION

The Group operates predominantly in the mining industry and principally within the geographical area of Australia.

FOR THE YEAR ENDED 30 SEPTEMBER 2008

Consolidated		Parent Entity	
2008 \$	2007 \$	2008 \$	2007 \$

4. REVENUE

Operating activities				
Interest income from non related parties	529,458	197,589	522,198	197,488
Recovery of exploration costs	-	156	-	156
Other	71,920	606	71,920	606
	601,378	198,351	594,118	198,250
Non-operating activities				
Profit on disposal of investments	1,173,566	427,913	1,173,566	427,913
Profit on disposal of plant, equipment and vehicles	2,236	249	2,236	249
Transfer from fair value reserve to income on disposal investments	8,157,584	286,769	8,157,584	286,769
Total revenues	9,934,764	913,282	9,927,504	913,181
PROFIT/(LOSS) FROM CONTINUING OPERATIONS				
Net Profit on disposal				
Profit on disposal of investments				
Proceeds from disposal of investments	9,473,483	784,163	9,473,483	784,163
Carrying amounts of investments sold	(8,299,917)	(356,250)	(8,299,917)	(356,250)
Profit on disposal	1,173,566	427,913	1,173,566	427,913
Profit on disposal of plant, equipment and vehicles				
Proceeds from disposal of plant, equipment and vehicles	3,500	1,950	3,500	1,950
Carrying amounts of plant, equipment and vehicles sold	(1,264)	(1,701)	(1,264)	(1,701)
Profit on disposal	2,236	249	2,236	249
Exploration expenditure written-off or provided for	10,066,181	918,589	6,765,696	918,589
Mine properties and development expenditure	(2,002,776)	-	-	-
Impairment of construction in progress	(537,976)	-	-	-
Diminution in value of investments	-	-	3,129,000	168,450
Depreciation of plant, equipment and vehicles	127,721	79,895	123,464	79,895
Share based payments expense	829,636	747,115	829,636	747,115
Change in market value of held for trading investments	808,016	166,022	808,016	166,022
Impairment of investment in joint venture	-	-	2,600,000	-
Provision for non-recovery of intercompany loans	976,560	-	976,560	194,907

The share based payments expense relates to the requirement to recognise the cost of granting options to Directors and employees under AIFRS over the option vesting period.

Consolidated		Parent Entity	
2008 \$	2007 \$	2008 \$	2007 \$

5. INCOME TAX

(a) Numerical reconciliation of income tax expense to prima facie tax payable

Loss from ordinary activities before income tax expense	(6,371,022)	(2,362,942)	(7,202,114)	(2,719,197)
Prima facie tax benefit on loss from ordinary activities at 30% (2007 – 30%)	(1,911,307)	(708,883)	(2,160,634)	(815,759)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:4				
Entertainment and other	2,868	3,720	2,868	3,720
Share based payments	503,030	182,174	224,293	182,174
	(1,405,409)	(522,989)	(1,933,473)	(629,865)
Movement in current year temporary differences	(408,815)	(669,961)	1,000,662	(482,027)
Tax effect of current year tax losses & non-recognition of previously recognised deferred tax assets	5,388,763	-	2,075,075	-
Tax effect of current year tax losses and initial recognition of deferred tax assets and liabilities	-	(2,316,376)	-	(2,453,760)
Income tax expense/(benefit)	3,574,539	(3,509,326)	1,142,264	(3,565,652)

(b) Recognised temporary differences

Deferred Tax Asset (30%)				
Formation costs	386	514	-	-
Depreciation	32,077	20,746	32,077	20,746
Prepayments	3,873	4,944	3,873	4,944
Capital raising costs	62,932	89,546	62,932	89,546
Provision for expenses	82,027	36,830	82,027	36,830
Investments	171,035	-	1,940,270	-
Provision for loans	-	-	351,440	58,472
Carry forward tax losses	-	5,565,624	-	5,484,553
	352,330	5,718,206	2,472,619	5,695,092
Deferred Tax Liabilities (30%)				
Unearned revenue	7,855	-	7,855	-
Capitalised tenement acquisition costs	1,288,279	2,208,880	919,968	2,129,440
Investments	6,082,017	7,509,726	6,082,017	7,509,726
	7,378,151	9,718,606	7,009,840	9,639,166
Net Deferred Tax Liability	7,025,821	4,000,400	4,537,221	3,944,074

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Consolidated		Parent Entity	
2008	2007	2008	2007
\$	\$	\$	\$

5. INCOME TAX (continued)

(c) Unrecognised temporary differences

Deferred Tax Assets (30%)				
Foreign Losses	13,586	-	13,586	-
Carry forward tax losses	4,921,417	-	3,958,933	-
	4,935,003	-	3,972,519	-

The potential future income tax benefit arising from tax accumulated losses that have not been recognised in 2008 as an asset because recovery of tax losses is not probable in view of the decrease in fair values of investments available for sale subsequent to year end and the suspension of mining operations at Copernicus.

The potential future income tax benefit will be obtainable by the company only if:

- (a) the company derives future assessable income of a nature and of an amount sufficient to enable the benefit of the deductions for the loss to be realised;
- (b) the company continues to comply with the conditions for deductibility imposed by income tax law; and
- (c) no changes in income tax legislation adversely affects the company in realising the benefit of the deduction for the loss.

The estimated potential future income tax benefits on tax losses have not taken account of the tax losses incurred on the Canadian division, which is governed under separate tax legislation regime. It is of the Directors' opinion that the likelihood of its recoverability is highly unlikely with due regards to the management's decision to focusing its exploration, evaluation and development of mines and tenements in Australia.

Consolidated		Parent Entity	
2008	2007	2008	2007
\$	\$	\$	\$

6. RECONCILIATION OF CASH

(a) Reconciliation of net cash provided by operating activities to operating profit/(loss) after income tax

Operating profit/(loss) after income tax	(9,945,561)	1,146,384	(8,344,378)	846,455
Non cash flows in operating loss				
Exploration costs written-off or provided	10,066,181	918,589	6,765,696	918,589
Mine properties and development written off	2,002,776	-	-	-
Impairment of construction in progress	537,976	-	-	-
Income tax expense/(benefit)	3,574,539	(3,509,326)	1,142,264	(3,565,652)
Depreciation	127,721	79,895	123,464	79,895
Share based payments	829,636	747,115	829,636	747,115
Impairment of investment in joint venture	-	-	2,600,000	-
Net decrease in fair value of investments	808,016	166,022	808,016	166,022
(Profit)/Loss on sale of plant, equipment and vehicles	(2,236)	(249)	(2,236)	(249)
(Profit) on sale of investments	(1,173,566)	(427,913)	(1,173,566)	(427,913)
Transfer fair value reserve to income	(8,157,584)	(286,769)	(8,157,584)	(286,769)
Diminution in value of investment	-	-	(3,129,000)	168,450
Non recovery of intercompany loan	-	-	976,560	194,908
Change in assets and liabilities				
(Decrease)/increase in trade creditors and accruals	86,766	(128,233)	156,518	(146,936)
(Increase)/Decrease in receivables	36,843	(98,218)	39,515	(181,868)
(Decrease)/Increase in provisions	128,946	(7,183)	128,946	(7,183)
Net cash outflow from operating activities	(1,079,547)	(1,399,886)	(978,149)	(1,495,136)

(b) Cash and cash equivalents represents:

Cash in bank and on hand	386,894	104,934	167,990	98,230
Deposits at call	4,413,719	2,709,576	4,413,719	2,709,577
	4,800,613	2,814,510	4,581,709	2,807,807

(c) Non Cash Investing Activities

The Company issued shares and options with a fair value of \$3,129,000 in settlement of the acquisition of certain uranium tenements and rights by its subsidiary.

FOR THE YEAR ENDED 30 SEPTEMBER 2008

7. EARNINGS PER SHARE

a) Basic earnings/(loss) per share (cents per share)

2008

2007

(8.83)

1.10

b) Diluted earnings/(loss) per share (cents per share)

(8.83)

1.03

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of

interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares. Diluted earnings per share is the same as basic earnings per share in 2008 and 2007 as the Company is in a loss position.

c) Net profit/(loss) attributable to ordinary equity of the Group

\$(9,945,561)

\$1,146,384

d) Weighted average number of ordinary shares outstanding during the year used in the calculation:

- basic earnings per share

112,640,920

103,284,691

- diluted earnings per share

112,640,920

111,295,399

Consolidated		Parent Entity	
2008	2007	2008	2007
\$	\$	\$	\$

8. TRADE AND OTHER RECEIVABLES (CURRENT)

Other receivables	504,686	139,776	108,326	132,961
Amounts receivable from wholly owned subsidiary	-	-	75,953	90,465
Amounts receivable from directors and director related entities	132	500	132	500
Receivables from joint venture partner	363,010	-	-	-
	867,828	140,276	184,411	223,926
The amounts receivable from directors and director related entities are unsecured, interest free and have no fixed terms of repayment				

TRADE AND OTHER RECEIVABLES (NON CURRENT)

Security deposits/bonds	561,581	127,581	561,581	127,581
Loans to controlled entity	-	-	1,171,468	194,908
Less provision for doubtful debts	-	-	(1,171,468)	(194,908)
	561,581	127,581	561,581	127,581

Consolidated		Parent Entity	
2008 \$	2007 \$	2008 \$	2007 \$

9. OTHER FINANCIAL ASSETS (CURRENT)

Listed shares held for trading at fair value				
Royal Resources Limited	147,717	-	147,717	-
Royal Resources Limited - Options	12,310	-	12,310	-
Aldershot Resources Limited (a Canadian incorporated entity)	205,450	752,500	205,450	752,500
	365,477	752,500	365,477	752,500

OTHER FINANCIAL ASSETS (NON-CURRENT)

Listed shares and options held for trading at fair value				
Royal Resources Limited	-	344,672	-	344,672
Royal Resources Limited - Options	-	-	-	-
	-	344,672	-	344,672
Listed shares and options available for sale at fair value				
United Minerals Corporation NL	22,644,000	19,176,000	22,644,000	19,176,000
United Minerals Corporation NL - Options	-	8,299,917	-	8,299,917
	23,644,000	27,475,917	22,644,000	27,475,917
Investment in Joint Venture				
Copernicus Joint Venture	-	-	2,600,000	-
Impairment charge	-	-	(2,600,000)	-
	-	-	-	-
Investment in Subsidiary				
Element 92 Pty Ltd	-	-	3,297,450	168,490
Provision for write down of investment	-	-	(3,297,450)	(168,490)
	-	-	-	-
	22,644,000	27,820,589	22,644,000	27,820,589

At 30 September 2008 the Company holds the following quoted securities:

- (i) 20,400,000 fully paid ordinary shares in United Minerals Corporation NL (formerly United Kimberley Diamonds NL), representing 13.24% of the ordinary shares on issue;
- (ii) 3,500,000 fully paid ordinary shares in Aldershot Resources Ltd, representing 5% of the ordinary shares on issue. Aldershot Resources Ltd is a Canadian company listed on the TSX Venture Exchange.
- (iii) 1,230,971 fully paid ordinary shares in Royal Resources Limited.

The carrying amount of the investment in the Copernicus joint venture has been reduced to its estimated recoverable amount through recognition of an impairment loss. The loss has been disclosed as a separate line item in the income statement of the parent company. The impairment has been apportioned to various non current assets of the joint venture in the consolidated accounts and disclosed as such in the income statement.

10. CONTROLLED ENTITY

Name	Country of Incorporation	Percentage Interest Held		Carrying amount of Parent Entity's Investment	
		2008 %	2007 %	2008 \$	2007 \$
Element 92 Pty Ltd	Australia	100	100	-	-

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11. PROPERTY, PLANT AND EQUIPMENT

	Consolidated		Parent Entity	
	2008 \$	2007 \$	2008 \$	2007 \$
Leasehold Improvements, at cost	260,056	127,055	260,056	127,055
Less: accumulated depreciation	(129,860)	(88,320)	(129,860)	(88,320)
	130,196	38,735	130,196	38,735
Plant and equipment, at cost	143,152	74,709	136,022	74,709
Less: accumulated depreciation	(43,673)	(28,325)	(43,673)	(28,325)
	99,479	46,384	92,349	46,384
Office equipment, at cost	272,061	199,920	246,969	199,920
Less: accumulated depreciation	(151,307)	(111,085)	(150,328)	(111,085)
	120,754	88,835	96,641	88,835
Motor vehicles, at cost	300,406	247,948	247,948	247,948
Less: accumulated depreciation	(190,190)	(163,132)	(186,911)	(163,132)
	110,216	84,816	61,037	84,816
Construction in Progress	1,733,904	-	-	-
Less: Impairment loss	(537,976)	-	-	-
	1,195,928	-	-	-
Total property, plant and equipment	1,656,573	258,770	380,223	258,770

Consolidated		Parent Entity	
2008 \$	2007 \$	2008 \$	2007 \$

11. PROPERTY, PLANT AND EQUIPMENT (continued)

Reconciliations				
Reconciliation of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below:				
Leasehold Improvements				
Carrying amount at 1 October 2007	38,735	61,974	38,735	61,974
Additions	133,001	-	133,001	-
Disposals	-	-	-	-
Depreciation	(41,540)	(23,239)	(41,540)	(23,239)
Carrying amount at 30 September 2008	130,196	38,735	130,196	38,735
Plant and equipment				
Carrying amount at 1 October 2007	46,384	12,662	46,384	12,662
Additions	73,261	39,920	66,131	39,920
Disposals	(1,264)	-	(1,264)	-
Depreciation	(18,902)	(6,198)	(18,902)	(6,198)
Carrying amount at 30 September 2008	99,479	46,384	92,349	46,384
Office equipment				
Carrying amount at 1 October 2007	88,835	67,781	88,835	67,781
Additions	72,141	50,387	47,049	50,387
Disposals	-	(1,950)	-	(1,950)
Depreciation	(40,222)	(27,383)	(39,243)	(27,383)
Carrying amount at 30 September 2008	120,754	88,835	96,641	88,835
Motor Vehicles				
Carrying amount at 1 October 2007	84,816	74,259	84,816	74,259
Additions	52,458	33,632	-	33,632
Disposals	-	-	-	-
Depreciation	(27,058)	(23,075)	(23,779)	(23,075)
Carrying amount at 30 September 2008	110,216	84,816	61,037	84,816
Construction in Progress				
Carrying amount at 1 October 2007	-	-	-	-
Additions	1,733,904	-	-	-
Disposals	-	-	-	-
Depreciation	-	-	-	-
Impairment	(537,976)	-	-	-
Carrying amount at 30 September 2008	1,136,680	-	-	-
Total carrying amount	1,656,573	258,770	380,223	258,770

FOR THE YEAR ENDED 30 SEPTEMBER 2008

Consolidated		Parent Entity	
2008	2007	2008	2007
\$	\$	\$	\$

12. EXPLORATION, EVALUATION AND DEVELOPMENT EXPENDITURE (NON-CURRENT)**(a) Exploration and evaluation**

At 1 October 2007	7,550,037	5,946,362	7,098,132	5,773,054
Expenditure incurred during the year	6,810,408	2,522,264	2,734,123	2,243,667
Fair value of tenements arising on consolidation		-	-	-
Expenditure provided or written off during the year	(10,066,181)	(918,589)	(6,765,696)	(918,589)
At 30 September 2008	4,294,264	7,550,037	3,066,559	7,098,132

(b) Mine properties and development

At 1 October 2007	-	-	-	-
Expenditure incurred during the year	2,002,776	-	-	-
Expenditure provided or written off during the year	(2,002,776)	-	-	-
At 30 September 2008	-	-	-	-

For those areas of interest which are still in the exploration phase, the ultimate recoupment of the stated costs is dependent upon the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest (refer to note 25).

Some of the Consolidated entity's exploration properties are subject to claim(s) under native title. As a result, exploration properties or areas within the tenements may be subject to exploration and/or mining restrictions.

Consolidated		Parent Entity	
2008	2007	2008	2007
\$	\$	\$	\$

13. DEFERRED TAX ASSET (NON -CURRENT)

Deferred tax asset	352,330	5,718,206	2,472,619	5,695,062
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14. INTANGIBLES

Software and Licences				
At 1 October 2007	-	-	-	-
Additions	121,680	-	121,680	-
Disposals	-	-	-	-
Less: amortisation	-	-	-	-
At 30 September 2008	121,680	-	121,680	-

15. TRADE AND OTHER PAYABLES (CURRENT)

Trade payables	1,007,422	151,651	384,743	132,948
Payables to joint venture partner and related entities	1,284,452	-	-	-
Amounts owing to director related entities	-	-	-	9,750
	2,291,874	161,401	384,743	142,698

The current accounts with director related entities are unsecured, interest free and have no fixed terms of repayments.

Consolidated		Parent Entity	
2008	2007	2008	2007
\$	\$	\$	\$

16. PROVISIONS (CURRENT)

Employee entitlements	138,941	89,282	138,941	89,282
Number of employees at year end	14	12	14	12

PROVISIONS (NON CURRENT)

Employee entitlements	101,484	22,197	101,484	22,197
Rehabilitation	311,898	-	-	-
	413,382	22,197	101,484	22,197

Superannuation

The Company contributes to employees' superannuation plans in accordance with the requirements of Occupational Superannuation Legislation. Contributions by the Company represent a defined percentage of each employee's salary. Additional employee contributions are voluntary.

Employee Share Option Plan

Details of the Employee Share Option Plan for the Company are disclosed in Note 22.

Consolidated		Parent Entity	
2008	2007	2008	2007
\$	\$	\$	\$

17. DEFERRED TAX LIABILITY (NON -CURRENT)

Deferred tax liability	7,378,151	9,718,606	7,009,839	9,639,166
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18. CONTRIBUTED EQUITY AND RESERVES**(a) Issued and paid up capital**

Ordinary shares	113,915,409	108,042,150	32,794,405	30,408,499
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FOR THE YEAR ENDED 30 SEPTEMBER 2008

18. CONTRIBUTED EQUITY AND RESERVES (continued)

(b) Movement in ordinary shares on issue

		Number of Shares	Issue Price \$	Total \$
1/10/2006	Opening Balance	95,060,370		26,695,050
15/12/2006	Private placement of shares	6,500,000	0.37	2,405,000
27/12/2006	Issue on exercise of options	103,000	0.19	19,570
11/01/2007	Issue on exercise of options	150,000	0.325	48,750
11/01/2007	Issue on exercise of options	720,000	0.19	136,800
12/01/2007	Issue on exercise of options	825,000	0.475	391,875
12/01/2007	Issue on exercise of options	20,000	0.19	3,800
23/02/2007	Issue on exercise of options	347,598	0.19	66,044
6/03/2007	Issue on exercise of options	110,893	0.19	21,070
5/04/2007	Issue on exercise of options	738,442	0.19	140,304
27/04/2007	Issue on exercise of options	444,537	0.19	84,462
30/04/2007	Issue on exercise of options	295,788	0.19	56,200
3/05/2007	Issue on exercise of options	224,242	0.19	42,606
8/05/2007	Issue on exercise of options	200,000	0.20	40,000
10/05/2007	Issue on exercise of options	215,645	0.19	40,973
16/05/2007	Issue on exercise of options	53,088	0.19	10,087
18/05/2007	Issue on exercise of options	81,987	0.19	15,578
30/05/2007	Issue on exercise of options	399,445	0.19	75,895
5/06/2007	Issue on exercise of options	110,000	0.22	24,200
13/06/2007	Issue on exercise of options	300,000	0.20	60,000
13/06/2007	Issue on exercise of options	63,000	0.19	11,970
21/06/2007	Issue on exercise of options	45,220	0.19	8,592
26/06/2007	Issue on exercise of options	48,000	0.19	9,120
2/07/2007	Issue on exercise of options	13,000	0.19	2,470
9/07/2007	Issue on exercise of options	42,006	0.19	7,981
16/07/2007	Issue on exercise of options	36,500	0.19	6,935
18/07/2007	Issue on exercise of options	93,000	0.19	17,670
23/07/2007	Issue on exercise of options	127,000	0.19	24,130
27/07/2007	Issue on exercise of options	674,389	0.19	128,134
	Less transaction costs			(186,764)
	Balance at 30 September 2007	108,042,150		30,408,499
19/10/2007	Issue on exercise of options	192,250	0.190	36,528
30/10/2007	Issue on exercise of options	37,026	0.190	7,035
12/11/2007	Acquisition of tenement	106,383	0.470	50,000
30/11/2007	Acquisition of uranium rights	4,500,000	0.435	1,957,500
26/03/2008	Issue of exercise of options	50,000	0.325	16,250
28/03/2008	Issue of exercise of options	970,000	0.325	315,250
10/07/2008	Issue of exercise of options	17,600	0.190	3,344
	Share issue costs			-
	Balance at 30 September 2008	113,915,409		32,794,405

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

18. CONTRIBUTED EQUITY AND RESERVES (continued)

(c) Movement in options on issue (continued)	Number 2008	Number 2007
Exercisable at 47.5 cents on or before 28 February 2007		
Balance as at beginning of year	-	1,771,000
Issued during the year	-	-
Exercised during the year	-	(450,000)
Options lapsed during the year	-	(1,321,000)
Balance as at end of year	-	-
Exercisable at 32.5 cents on or before 28 March 2008		
Balance as at beginning of year	1,095,000	1,245,000
Issued during the year	-	-
Exercised during the year	(1,020,000)	(150,000)
Options lapsed during the year	(75,000)	-
Balance as at end of year	-	1,095,000
In March 2008, 1,020,000 options above were exercised raising \$331,500 in contributed equity.		
Exercisable at 65.5 cents on or before 20 November 2007		
Balance as at beginning of year	11,000,000	11,000,000
Issued during the year	-	-
Exercised during the year	-	-
Options lapsed during the year	11,000,000	-
Balance as at end of year	-	11,000,000
Exercisable at 67.5 cents on or before 26 February 2009		
Balance as at beginning of year	1,970,000	1,970,000
Issued during the year	-	-
Exercised during the year	-	-
Options lapsed during the year	-	-
Balance as at end of year	1,970,000	1,970,000
Exercisable at 47.5 cents on or before 20 April 2009		
Balance as at beginning of year	-	375,000
Issued during the year	-	-
Exercised during the year	-	(375,000)
Options lapsed during the year	-	-
Balance as at end of year	-	-
Exercisable at 22 cents on or before 31 May 2009		
Balance as at beginning of year	350,000	460,000
Issued during the year	-	-
Exercised during the year	-	(110,000)
Options lapsed during the year	-	-
Balance as at end of year	350,000	350,000
Exercisable at 40 cents on or before 12 April 2009		
Balance as at beginning of year	2,500,000	2,500,000
Issued during the year	-	-
Exercised during the year	-	-
Options lapsed during the year	-	-
Balance as at end of year	2,500,000	2,500,000

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18. CONTRIBUTED EQUITY AND RESERVES (continued)

(c) Movement in options on issue (continued)	Number 2008	Number 2007
Exercisable at 20 cents on or before 31 August 2009		
Balance as at beginning of year	-	500,000
Issued during the year	-	-
Exercised during the year	-	(500,000)
Options lapsed during the year	-	-
Balance as at end of year	-	-
Exercisable at 55 cents on or before 28 February 2010		
Balance as at beginning of year	200,000	-
Issued during the year	-	400,000
Exercised during the year	-	-
Options lapsed during the year	-	(200,000)
Balance as at end of year	200,000	200,000
Exercisable at 50 cents on or before 28 February 2010		
Balance as at beginning of year	1,500,000	-
Issued during the year	-	1,500,000
Exercised during the year	-	-
Options lapsed during the year	-	-
Balance as at end of year	1,500,000	1,500,000
Exercisable at 50 cents on or before 31 May 2010		
Balance as at beginning of year	1,000,000	-
Issued during the year	-	1,000,000
Exercised during the year	-	-
Options lapsed during the year	-	-
Balance as at end of year	1,000,000	1,000,000
Exercisable at 68 cents on or before 31 May 2011		
Balance as at beginning of year	1,000,000	-
Issued during the year	-	1,000,000
Exercised during the year	-	-
Options lapsed during the year	-	-
Balance as at end of year	1,000,000	1,000,000
Exercisable at 52 cents on or before 30 June 2011		
Balance as at beginning	360,000	-
Issued during the year	-	360,000
Exercised during the year	-	-
Options lapsed during the year	-	-
Balance as at end of year	360,000	360,000
Exercisable at 19 cents on or before 30 June 2009		
Balance as at beginning	12,103,220	17,000,000
Issued during the year	-	-
Exercised during the year	(243,876)	(4,896,780)
Options lapsed during the year	-	-
Balance as at end of year	11,856,344	12,103,220

18. CONTRIBUTED EQUITY AND RESERVES (continued)

(c) Movement in options on issue (continued)	Number 2008	Number 2007
Exercisable at 45 cents on or before 30 November 2010		
Balance as at beginning	-	-
Issued during the year	4,500,000	-
Exercised during the year	-	-
Options lapsed during the year	-	-
Balance as at end of year	4,500,000	-
Exercisable at 47 cents on or before 31 December 2011		
Balance as at beginning	-	-
Issued during the year	350,000	-
Exercised during the year	-	-
Options lapsed during the year	-	-
Balance as at end of year	350,000	-
Exercisable at 50 cents on or before 28 February 2013		
Balance as at beginning	-	-
Issued during the year	4,250,000	-
Exercised during the year	-	-
Options lapsed during the year	-	-
Balance as at end of year	4,250,000	-
Exercisable at 39 cents on or before 3 April 2011		
Balance as at beginning	-	-
Issued during the year	400,000	-
Exercised during the year	-	-
Options lapsed during the year	-	-
Balance as at end of year	400,000	-
Exercisable at 52 cents on or before 30 June 2012		
Balance as at beginning	-	-
Issued during the year	440,000	-
Exercised during the year	-	-
Options lapsed during the year	-	-
Balance as at end of year	440,000	-

In October 2007, 229,276 options above were exercised raising \$43,562 in contributed equity.

In March 2008, 1,020,000 options above were exercised raising \$331,500 in contributed equity.

In July 2008, 17,600 options above were exercised raising \$3,344 in contributed equity.

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18. CONTRIBUTED EQUITY AND RESERVES (continued)

	Consolidated		Parent Entity	
	2008 \$	2007 \$	2008 \$	2007 \$
(d) Reserves				
General reserve	14,191,373	18,331,839	14,191,373	18,331,839
Share-based payments reserve	3,056,506	1,105,370	3,056,506	1,105,370
	17,247,879	19,437,209	17,247,879	19,437,209
General reserve				
Balance at beginning of year	18,331,839	2,543,617	18,331,839	2,543,617
Fair value adjustments	3,468,000	23,584,717	3,468,000	23,584,717
Deferred tax on items recognised directly in equity	549,117	(7,509,726)	549,117	(7,509,726)
Transfer of reserve to income	(8,157,584)	(286,769)	(8,157,584)	(286,769)
Balance at end of year	14,191,373	18,331,839	14,191,373	18,331,839
Share based payments reserve				
Balance at beginning of year	1,105,370	358,255	1,105,370	358,255
Share based payments	1,951,136	747,115	1,951,136	747,115
Balance at end of year	3,056,506	1,105,370	3,056,506	1,105,370

Nature and purpose of reserves*General reserve*

This reserve records fair value changes on available for sale financial assets as set out in Note 9.

Share based payments reserve

The share based payments reserve is used to recognise the fair value of options issued.

Consolidated		Parent Entity	
2008 \$	2007 \$	2008 \$	2007 \$

19. ACCUMULATED LOSSES

Balance at the beginning of the year	(14,954,725)	(15,801,109)	(14,954,654)	(15,801,109)
Net profit/(loss) attributable to members of Thundelarra Exploration Ltd	(9,945,561)	1,146,384	(8,344,378)	846,455
Balance at the end of the financial year	(24,600,286)	(14,654,725)	(23,299,032)	(14,954,654)

20. COMMITMENTS AND CONTINGENCIES

(i) Exploration commitments

Within one year	1,788,199	2,148,780	1,535,931	1,797,780
Later than one year but not later than five years	3,962,708	8,595,120	3,184,048	7,191,120
Later than five years	213,841	2,148,780	211,024	1,797,780
	5,964,748	12,892,680	4,931,003	10,786,680

In order to maintain current rights of tenure to exploration tenements, the Group is required to perform minimum exploration work to meet the minimum expenditure requirements specified by various State Governments. These obligations are subject to renegotiation when application for a mining lease is made and at other times. These obligations are not provided for in the financial report.

If the Group decides to relinquish certain tenements and / or does not meet these obligations, assets recognised in the balance sheet may require review to determine the appropriateness of the carrying values. The sole transfer or farm out of exploration rights to third parties will reduce or extinguish these obligations.

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20. COMMITMENTS AND CONTINGENCIES (continued)

	Consolidated		Parent Entity	
	2008 \$	2007 \$	2008 \$	2007 \$
(ii) Operating lease commitments				
Operating lease commitments are as follows:-				
Office rental				
Within one year	195,696	185,331	195,696	185,331
Later than one year but not later than five years	782,784	741,324	782,784	741,324
Later than five years	-	185,331	-	185,331
	978,480	1,111,986	978,480	1,111,986

The Group has entered into a commercial property lease on its corporate office premises. The non-cancellable lease expires 1 July 2013. The lease includes a clause to enable an upward revision of rental charge on an annual basis of either a fixed percentage increase or market review according to prevailing market conditions.

(iii) **Bank Guarantees**

At 30 September 2008 the Group has outstanding \$175,031 (2007: \$97,396) as a current guarantee provided by the bank for corporate office lease.

(iv) **Native Title**

At the date of this report, claims had been lodged in relation to tenements held by the Group. The effect (if any) that these claims will have, or which future claims will have on the Group's tenements is not yet known.

21. DIRECTORS AND EXECUTIVES DISCLOSURE

(a) **Details of Key Management Personnel**

The following persons were Directors of Thundelarra Exploration Ltd during the financial year:

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

There are no executives (other than directors) with authority for making strategic decisions and management.

(b) Compensation of Key Management Personnel – by category	Consolidated and Parent Entity	
	2008 \$	2007 \$
Short Term	739,445	548,068
Post Employment	115,666	216,947
Share Based Payments	660,450	713,265
Long Term	69,562	-
	1,585,123	1,478,280

(c) **Shareholdings of Key Management Personnel (Consolidated and Parent Entity)**

The number of shares held in Thundelarra Exploration Ltd during the financial year.

	Balance 1 October 2007	Granted as Remuneration	On Exercise of Options	Net Change Other	Balance 30 September 2008
30 September 2008					
P G Crabb	17,243,514	-	-	481,800	17,725,314
B T Lambert	-	-	-	-	-
B D Richardson	1,036,581	-	350,000	(350,000)	1,036,581
F DeMarte	1,454,726	-	350,000	-	1,804,726
M J Randall	237,300	-	150,000	(37,300)	350,000
Total	19,972,121	-	850,000	94,500	20,916,621

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21. DIRECTORS AND EXECUTIVES DISCLOSURE (continued)

30 September 2007	Balance 1 October 2006	Granted as Remuneration	On Exercise of Options	Net Change Other	Balance 30 September 2007
P G Crabb	17,718,514	-	825,000	(1,300,000)	17,243,514
B T Lambert	-	-	-	-	-
B D Richardson	1,036,581	-	-	-	1,036,581
F DeMarte	1,454,726	-	-	-	1,454,726
R W Crabb ⁽¹⁾	2,128,330	-	150,000	(1,250,000)	1,028,330
M J Randall	237,300	-	-	-	237,300
Total	22,575,451	-	975,000	(2,550,000)	21,000,451

(1) Mr Rick W Crabb resigned as a director on 13 June 2007.

All equity transactions with key management personnel other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the Company would have adopted if dealing at arm's length.

(d) Optionholdings of Key Management Personnel (Consolidated and Parent Entity) (continued)

The number of options over ordinary shares held in Thundelarra Exploration Ltd during the financial year.

						Vested at 30 September 2008		
30 September 2008	Balance at beginning of period 1 October 2007	Granted as Remuneration	Options Exercised	Net Change Other	Balance at end of period 30 September 2008	Total	Exercisable	Not Exercisable
P G Crabb	750,000	750,000	-	-	1,500,000	1,500,000	1,500,000	-
B T Lambert	2,000,000	1,000,000	-	-	3,000,000	3,000,000	3,000,000	-
B D Richardson	1,200,000	1,000,000	(350,000)	-	1,850,000	1,850,000	1,850,000	-
F DeMarte	1,200,000	1,000,000	(350,000)	-	1,850,000	1,850,000	1,850,000	-
M R Randall	550,000	500,000	(150,000)	-	900,000	900,000	900,000	-
Total	5,700,000	4,250,000	(850,000)	-	9,100,000	9,100,000	9,100,000	-

						Vested at 30 September 2007		
30 September 2007	Balance at beginning of period 1 October 2006	Granted as Remuneration	Options Exercised	Net Change Other	Balance at end of period 30 September 2007	Total	Exercisable	Not Exercisable
P G Crabb	1,325,000	250,000	(825,000)	-	750,000	750,000	750,000	-
B T Lambert ⁽¹⁾	-	2,000,000	-	-	2,000,000	2,000,000	2,000,000	-
B D Richardson	850,000	500,000	-	(150,000)	1,200,000	1,200,000	1,200,000	-
F DeMarte	1,250,000	500,000	-	(550,000)	1,200,000	1,200,000	1,200,000	-
R W Crabb ⁽²⁾	400,000	-	(150,000)	(100,000)	150,000	150,000	150,000	-
M R Randall	400,000	250,000	-	(100,000)	550,000	550,000	550,000	-
Total	4,225,000	3,500,000	(975,000)	(900,000)	5,850,000	5,850,000	5,850,000	-

(1) Mr Brett T Lambert was appointed the Managing Director on 28 September 2007.

(2) Mr Rick W Crabb resigned as a director on 13 June 2007.

21. DIRECTORS AND EXECUTIVES DISCLOSURE (continued)

(e) Share Based Compensation Options

During the financial year options were granted as equity compensation benefits to key management personnel. The options were issued at no consideration. Each option entitles the holder to subscribe for one fully paid ordinary share in the equity at the exercise price. No options have been granted since the end of the year to key management personnel. For further details relating to options, refer to note 22.

Compensation Options: Granted and vested during the year ended 30 September 2008.

	Vested	Granted	Terms and Conditions for each Grant					
30 September 2008	Number	Number	Grant Date	Fair Value per option (\$) (Note 22)	Exercise Price per option (\$) (Note 22)	Expiry Date	First Exercise Date	Last Exercise Date
P G Crabb	750,000	750,000	27/02/08	\$0.155	\$0.50	28/02/13	27/02/08	28/02/13
B T Lambert	1,000,000	1,000,000	27/02/08	\$0.155	\$0.50	28/02/13	27/02/08	28/02/13
B D Richardson	1,000,000	1,000,000	27/02/08	\$0.155	\$0.50	28/02/13	27/02/08	28/02/13
F DeMarte	1,000,000	1,000,000	27/02/08	\$0.155	\$0.50	28/02/13	27/02/08	28/02/13
M R Randall	500,000	500,000	27/02/08	\$0.155	\$0.50	28/02/13	27/02/08	28/02/13
Total	4,250,000	4,250,000						

Compensation Options: Granted and vested during the year ended 30 September 2007.

	Vested	Granted	Terms and Conditions for each Grant					
30 September 2007	Number	Number	Grant Date	Fair Value per option (\$) (Note 22)	Exercise Price per option (\$) (Note 22)	Expiry Date	First Exercise Date	Last Exercise Date
P G Crabb	250,000	250,000	1/03/2007	\$0.151	\$0.50	28/02/10	1/03/2007	28/02/10
B T Lambert	1,000,000	1,000,000	3/05/2007	\$0.238	\$0.50	31/05/10	3/05/2007	31/05/10
B T Lambert	1,000,000	1,000,000	3/05/2007	\$0.248	\$0.68	31/05/11	3/05/2007	31/05/10
B D Richardson	500,000	500,000	1/03/2007	\$0.151	\$0.50	28/02/10	1/03/2007	28/02/10
F DeMarte	500,000	500,000	1/03/2007	\$0.151	\$0.50	28/02/10	1/03/2007	28/02/10
M R Randall	250,000	250,000	1/03/2007	\$0.151	\$0.50	28/02/10	1/03/2007	28/02/10
Total	3,500,000	3,500,000						

22. SHARE BASED PAYMENTS**(a) Type of share based payment plan***Employee Share Option Plan*

Options are granted under the Company Employee Share Option Plan (ESOP) which was approved by the Directors on 1 March 2005. The ESOP is available to any person who is a director, or an employee (whether full-time or part-time) of the Company or of an associated body corporate of the Company ("Eligible Person").

Subject to the Rules set out in ESOP and the Listing Rules, the Company (acting through the Board) may offer options to any Eligible Person at such time and on such terms as the Board considers appropriate. Some of the Rules include:

- (i) No consideration is payable by an Eligible Person for a grant of an option, unless the Board decides otherwise.
- (ii) The method of calculation of the exercise price of each option will be determined by the Board with regard to the market value of the shares when it resolves to offer the option.
- (iii) Exercisable period will be determined by the Board prior to the offer of the relevant options, subject to any restriction in the Corporations Act from time to time but in any event no longer than 5 years from the issue date.
- (iv) The Board may impose exercise conditions on any issue as it thinks appropriate.

Options may be exercised at any time during the period commencing on the issue date to the earlier of their expiry date or termination of the employee's employment.

There are no voting or dividend rights attached to the options. There are no voting rights attached to the unissued ordinary shares. Voting rights will be attached to the unissued ordinary shares when the options have been exercised.

The expense recognised in the income statement in relation to share based payments is disclosed in Note 4.

(b) Summary of options granted

The following table illustrates the number and weighted average prices (WAEP) of and the movements in share options issued during the year in respect of share based payments.

	Number 2008	WAEP 2008 \$	Number 2007	WAEP 2007 \$
Outstanding at the beginning of the year	20,975,000	0.59	19,821,000	0.56
Granted during the year	9,940,000	0.47	4,260,000	0.55
Lapsed during the year	(11,075,000)	0.65	(1,521,000)	0.48
Exercised during the year	(1,020,000)	0.33	(1,585,000)	0.36
Outstanding at the end of the year	18,820,000	0.50	20,975,000	0.59
Exercisable at the end of the year	17,630,000	0.50	20,415,000	0.59

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22. SHARE BASED PAYMENTS (continued)

The outstanding balance as at 30 September 2008 is represented by:

Date options granted	Expiry date	Exercise price of options	Number of options
27 February 2004	26 February 2009	\$0.675	1,970,000
31 May 2005	31 May 2009	\$0.22	350,000
12 April 2006	12 April 2009	\$0.40	2,500,000
15 February 2007	28 February 2010	\$0.55	200,000
1 March 2007	28 February 2010	\$0.50	1,500,000
3 May 2007	31 May 2010	\$0.50	1,000,000
3 May 2007	31 May 2011	\$0.68	1,000,000
1 August 2007	30 June 2011	\$0.52	360,000
30 November 2007	30 November 2010	\$0.45	4,500,000
10 January 2008	31 December 2011	\$0.47	350,000
27 February 2008	28 February 2013	\$0.50	4,250,000
4 April 2008	3 April 2011	\$0.39	400,000
3 July 2008	30 June 2012	\$0.52	440,000

Please refer to Shares Under Option table in the Directors Report for movements since year end.

(c) Weighted average remaining contractual life

The weighted average remaining contractual life for the share options outstanding as at 30 September 2008 is 2.25 years (2007 – 1.02 years).

(d) Range of exercise price

The range of exercise prices for options outstanding at the end of the year was \$0.22 to \$0.68 (2007 - \$0.22 to \$0.68).

(e) Weighted average fair value

The weighted average fair value of options granted during the year was \$0.20 (2007 - \$0.20)

(f) Options pricing model

The fair value of the equity-settled share options granted under the plan is estimated as 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 used for the years ended 30 September 2008

Number of Options	4,500,000	350,000	4,250,000	400,000	440,000
Option exercise price (cents)	45 cents	47 cents	50 cents	39 cents	52 cents
Expiry date	30/11/2010	31/12/2011	28/02/2013	3/04/2011	30/06/2012
Expected life of the option (years)	3 years	3 years	5 years	3 years	4 years
Vesting period (months)	-	12 months	-	12 months	12 months
Dividend yield (%)	Nil	Nil	Nil	Nil	Nil
Expected volatility (%)	84.25%	73.68%	73.67%	78.11%	74.23%
Risk-free interest rate (%)	6.67%	6.38%	6.38%	6.31%	6.62%
Weighted average share price at grant date (cents)	43.5 cents	45 cents	36 cents	36 cents	45.5 cents
Vesting date	30/11/2007	9/01/2009	22/02/2008	4/04/2009	3/07/2009

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22. SHARE BASED PAYMENTS (continued)

The following table lists the inputs to the model used for the year ended 30 September 2007.

Number of Options	400,000	1,500,000	1,000,000	1,000,000	360,000
Option exercise price (cents)	55 cents	50 cents	50 cents	68 cents	52 cents
Expiry date	28/02/2010	28/02/2010	31/05/2010	31/05/2011	30/06/2011
Expected life of the option (years)	3 years	3 years	3 years	4 years	4 years
Vesting period (months)	12 months	-	-	-	12 months
Dividend yield (%)	Nil	Nil	Nil	Nil	Nil
Expected volatility (%)	85.9%	83.5%	81.05%	81.05%	82%
Risk-free interest rate (%)	6.07%	6.00%	6.11%	5.99%	6.27%
Weighted average share price at grant date (cents)	45 cents	41 cents	58.5 cents	58.5 cents	49 cents
Vesting date	15/02/2008	3/05/2007	3/05/2007	3/05/2007	31/07/2008

Consolidated		Parent Entity	
2008	2007	2008	2007
\$	\$	\$	\$

23. REMUNERATION OF AUDITORS

The auditor of Thundelarra Exploration Ltd is Stantons International for:

• An audit or review of the financial report of the consolidated entity	56,974	39,200	56,974	39,200
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24. RELATED PARTY DISCLOSURES**(a) Directors**

Fees paid in the normal course of business in 2008 for drilling services, camp maintenance and other services totalling \$500 (2007 - \$13,073) were paid/payable (balance outstanding at 30 September 2008) and included in trade creditors \$Nil (2007 - \$Nil) to a company of which Mr Philip Crabb is a director and shareholder.

Fees paid in the normal course of business in 2008 for geological and consulting services totalling \$18,698 (2007 - \$41,660) were paid/payable (balance outstanding at 30 September 2008) and included in trade creditors \$Nil (2007 - \$Nil) to a company of which Mr Brian Richardson is a director and shareholder

(b) Loans with key management personnel and their related entities

There were no loans to key management personnel and their related entities during the year.

(c) Subsidiaries

The Group consists of the Parent and its wholly owned controlled entity set out in Note 9 and 10. Transactions between the Parent and its wholly owned controlled entity during the year ended 30 September 2008 consists of loans advanced by the Parent totalling \$1,247,420 (2007: \$285,373). The loan provided above is unsecured, interest free and has no fixed term of repayment. There were no repayments made during the year.

In addition the controlled entity acquired a uranium tenement and certain uranium rights which were settled by the issue of shares and options in the Parent with a fair value of \$3,129,000.

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25. INTEREST IN JOINT VENTURES

The Company has interests in several joint ventures as follows:

(a) Joint venture details

Copernicus Joint Venture

The Copernicus Joint Venture is involved with the exploration, evaluation, development and production of mineral deposits in the Kimberley region of Western Australia. The incorporated joint venture is between Panoramic Resources Ltd 60% and Thundelarra Exploration Ltd 40% (2007 – 40%), with Panoramic as manager and operator.

The Share of the assets, liabilities, revenue and expenses of the jointly controlled operation before the provision for impairment which is included in the consolidated financial statements, are as follows:

	Consolidated	
	2008 \$	2007 \$
CURRENT ASSETS		
Cash and cash equivalents	160,287	-
Trade and other receivables	749,882	-
TOTAL CURRENT ASSETS	910,169	-
NON-CURRENT ASSETS		
Property, plant and equipment	1,814,326	-
Exploration expenditure	59,248	-
Mine Development	2,002,776	-
TOTAL NON-CURRENT ASSETS	3,876,350	-
TOTAL ASSETS	4,786,519	-
CURRENT LIABILITIES		
Trade and other payables	1,907,131	-
TOTAL CURRENT LIABILITIES	1,907,131	-
NON-CURRENT LIABILITIES		
Provisions	311,896	-
TOTAL NON-CURRENT LIABILITIES	311,896	-
TOTAL LIABILITIES	2,219,029	-
NET ASSETS	2,567,490	-

Breakaway Joint Venture

The Breakaway Joint Venture is involved with the exploration and evaluation of mineral deposits in the East Kimberley region of Western Australia. The unincorporated joint venture is between Breakaway Resources Ltd 60% (2007 - 60%) and Thundelarra Exploration Ltd 40% (2007 - 40%)

Great Gold Mine's Joint Venture

The Great Gold Mine's Joint Venture is involved with the exploration and evaluation of mineral deposits in the East Kimberley region of Western Australia. The unincorporated joint venture is between Thundelarra Exploration Ltd 80% (2007 – 80%) and Hawthorn Resources Ltd, with Thundelarra as manager and operator.

De Grey Mining Joint Venture

The De Grey Mining Joint Venture is involved with the exploration and evaluation of mineral deposits in the East Kimberley region of Western Australia. The unincorporated joint venture is between De Grey Mining Limited 80% and Thundelarra Exploration Ltd 20% (2007 – 20%), with De Grey Mining as manager and operator. Thundelarra has a free carried joint venture interest until De Grey Mining completes a feasibility study.

Lewis Joint Venture

The Lewis Joint Venture is involved with the exploration and evaluation of mineral deposits in the East Kimberley region of Western Australia. The unincorporated joint venture is between Thundelarra Exploration Ltd 80% (2007 – 20%) and Kimberley Mining Pty Ltd 20% (2007 – 20%), with Thundelarra as manager and operator.

Vormans Joint Venture

The Vormans Joint Venture is involved with the exploration and evaluation of mineral deposits in the East Kimberley region of Western Australia. The unincorporated joint venture is between Thundelarra Exploration Ltd 80% (2007 – 20%), B Wasse, AM Australian Minerals Pty Ltd and Voermans Geological Services Pty Ltd 20% (2007 – 20%), with Thundelarra as manager and operator.

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25. INTEREST IN JOINT VENTURES (continued)**(a) Joint venture details (continued)***GBS Joint Venture*

The GBS Joint Venture is involved with the exploration and evaluation of mineral deposits in the Northern Territory of Australia. The unincorporated joint venture is between Element 92 Pty Ltd 70% (2007 – Nil) and GBS Gold International Inc 30% (2007 – 100%), with Thundelarra as manager and operator.

The Consolidated Entity's share of expenditure in respect to these joint venture activities is accounted for in accordance with the accounting policy stated in Note 2(l).

Joint Venture	Principal Activities	Percentage 2008	Interest 2007	Expenditure Capitalised 2008 \$	Expenditure Capitalised 2007 \$
Breakaway JV	Base metals	40%	40%	553,853	1,095,181
Great Gold Mines JV	Base metals	80%	80%	133,593	1,184,704
De Grey Mining JV	Base metals	20%	20%	-	-
Lewis JV	Base metals	80%	80%	285,866	1,030,581
Vormans JV	Base metals	80%	20%	23,351	58,143
GBS JV	Uranium	70%	Nil	671,560	-
Total				1,668,223	3,368,609

26. FINANCIAL INSTRUMENTS

- (a) The Group's principal financial instruments comprise of cash, short term deposits and other financial assets. The Group has various other financial assets and liabilities such as trade receivables and trade payables. It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken, except for other financial assets which have been sold for working capital purposes. The main risks arising from the Group's financial instruments are cash flow interest rate risk, liquidity risk and credit risk.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the Financial Statements.

- (b) Interest Rate Risk

The Group is exposed to movements in market interest rates on short term deposits. The policy is to monitor the interest rate yield curve out to 120 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return.

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for each class of financial assets and financial liabilities comprises:

Consolidated	Floating Interest Rate		Interest Rate – 1 year or less		Non-interest bearing		Total	
	2008 \$	2007 \$	2008 \$	2007 \$	2008 \$	2007 \$	2008 \$	2007 \$
Financial Assets								
Cash and cash equivalents	386,894	104,934	4,413,719	2,709,576	-	-	4,800,613	2,814,510
Trade and other receivables	-	-	561,581	127,581	867,828	140,276	1,429,409	267,857
Other financial assets	-	-	-	-	23,009,477	28,573,089	23,009,477	28,573,089
Total Financial Assets	386,894	104,934	4,975,300	2,837,157	23,877,305	28,713,365	29,239,499	31,655,456
Financial Liabilities								
Trade and other payables	-	-	-	-	(2,291,874)	(161,401)	(2,291,874)	(161,401)
Total Financial Liabilities	-	-	-	-	(2,291,874)	(161,401)	(2,291,874)	(161,401)
Net Financial Assets/ (Liabilities)	386,894	104,934	-	2,837,157	21,585,431	28,551,964	26,947,625	31,494,055
Weighted Average Interest Rate	4.50%	4.40%	7.42%	6.88%				

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26. FINANCIAL INSTRUMENTS (continued)

	Floating Interest Rate		Fixed Interest Rate – 1 year or less		Non-interest bearing		Total	
Parent	2008 \$	2007 \$	2008 \$	2007 \$	2008 \$	2007 \$	2008 \$	2007 \$
Financial Assets								
Cash and cash equivalents	167,976	98,230	4,413,733	2,709,577	-	-	4,581,709	2,807,807
Trade and other receivables	-	-	561,581	127,581	184,411	223,926	745,992	351,507
Other financial assets	-	-	-	-	23,009,477	28,573,089	23,009,477	28,573,089
Total Financial Assets	167,976	98,230	4,975,314	2,837,158	23,193,888	28,797,015	28,337,178	31,732,403
Financial Liabilities								
Trade and other payables	-	-	-	-	(384,743)	(142,698)	(384,743)	(142,698)
Total Financial Liabilities	-	-	-	-	(384,743)	(142,698)	(384,743)	(142,698)
Net Financial Assets/ (Liabilities)	167,976	98,230	-	2,837,158	22,809,145	26,654,317	27,952,435	31,589,705
Weighted Average Interest Rate	4.50%	4.40%	7.42%	6.88%				

	Consolidated	
	2008 \$	2007 \$
Reconciliation of net financial assets/ (liabilities) to net assets		
Net Financial Assets/(Liabilities) as above	26,947,625	31,494,055
Plant, Equipment and Vehicles	1,656,573	258,770
Exploration & Evaluation Expenditure	4,294,264	7,550,037
Intangibles	121,680	-
Provisions	(552,323)	(111,479)
Deferred tax assets	(181,295)	5,718,206
Deferred tax liability	(7,207,116)	(9,718,606)
Net Assets per Balance Sheet	(25,441,998)	35,190,983

The net fair value of all financial assets and liabilities at balance date approximate to their carrying value:

(c) *Credit Risk*

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Group's maximum exposure to credit risk.

The Group believes that all outstanding receivables are recoverable and there are no past due receivables as at balance sheet date.

(d) *Net Fair Value of Financial Assets and Liabilities*

The net fair value of the financial assets and financial liabilities approximates their carrying value, except for the fair value of equity investments traded on organised markets which have been valued by reference to the market prices prevailing at balance date for those equity investments.

(e) *Liquidity Risk*

The Group manages its liquidity risk by monitoring its cash reserves and forecast spending. Management is cognisant of the future demands for liquid finance requirements to finance the Company's current and future operations.

The Group believes that all outstanding payables can be paid when due and there are no past due payables as at the balance sheet date.

FOR THE YEAR ENDED 30 SEPTEMBER 2008

26. FINANCIAL INSTRUMENTS (continued)*(f) Foreign Exchange Risk*

The Group at present does not have any exposure to foreign exchange risk because the Group does not make any sales or purchases in a currency other than the entity's functional currency.

(g) Commodity Price Risk

The Groups exposure to nickel prices is very high because all of the revenue generated from the Copernicus Joint Venture comes from the sale of nickel. Nickel is sold on the basis of United States dollar nickel prices quoted on the London Metals Exchange (LME).

The Groups profit and loss and balance sheet can be affected significantly by movements in nickel prices on the LME. The Group will need to mitigate the effect of its nickel price exposure by seeking appropriate derivative instruments once the open pit mining operations are re-commenced at Copernicus in the future.

(h) Sensitivity Analysis

Considering the current structure of the Group's financial assets and liabilities as at 30 September 2008, the Group had no significant interest rate risk.

The Group has significant exposure to the movement in fair values of its trading and available for sale financial assets. Based on fair values at 30 September 2008, a 10% change in fair values will have the following impact on loss before tax and equity before tax.

	Consolidated		Parent Entity	
	2008 \$	2007 \$	2008 \$	2007 \$
Loss before tax:				
Available for sale financial assets	-	-	-	-
Held for trading financial assets	36,548	75,250	36,548	75,250
Equity:				
Available for sale financial assets	2,264,400	2,747,592	2,264,400	2,747,592
Held for trading financial assets	36,548	75,250	36,548	75,250

27. EVENTS AFTER THE BALANCE SHEET DATE

Since the end of the financial year, the Directors are not aware of matter or circumstance not otherwise dealt with in this report or the financial statements, that has significantly or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in subsequent years with the exception of the following, the financial effects of which have not been provided for in the 30 September 2008 financial report:

Copernicus Nickel Mine

On 18 November 2008, due to continuing weakness in the nickel price, the Company and its joint venture partner Panoramic Resources Ltd decided to suspend mining operations at Copernicus, and place the open pit mine on a care and maintenance pending an improvement in commodity prices.

Investment in United Minerals Corporation NL

Since the end of the financial year, as a result of the meltdown of the world financial markets and the falling commodity prices:

- (1) the fair market value of the Company's investment in United Minerals Corporation NL has diminished from \$22.6 million to \$8.36 million (refer to note 9);
- (2) the fair market value of the Company's investment in Royal Resources Limited has diminished from \$147,716 to \$92,323;
- (3) the fair market value of the Company's investment in Aldershot Resources Ltd has diminished from \$175,000 to \$41,848;

28. CONTINGENT LIABILITIES

The consolidated entity is not aware of any contingent liabilities which existed as at the end of the financial year or have arisen as at the date of this report.

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 and the additional disclosures included in the Directors' report designated as audited, of the Company and of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's and consolidated entity's financial position as at 30 September 2008 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards 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.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 September 2008.

On behalf of the Board



BRETT T LAMBERT

Managing Director

19 December 2008

Perth, Western Australia

Stantons International

ABN 41 103 088 697

LEVEL 1, 1 HAVELOCK STREET
WEST PERTH WA 6005, AUSTRALIA
PH: 61 8 9481 3188 • FAX: 61 8 9321 1204
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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
THUNDELARRA EXPLORATION LTD**

**Report on the Financial Report and the AASB 124 remuneration disclosures
contained in the Directors' Report**

We have audited the accompanying financial report of Thundelarra Exploration Ltd, which comprises the balance sheet as at 30 September 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

We have also audited the remuneration disclosures contained in the Directors' Report under the heading "remuneration report" on pages 16 to 22.

Directors' responsibility for the Financial Report and the AASB 124 remuneration disclosures contained in the Directors' Report

The directors of the Company are responsible for the preparation and fair presentation of the 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 control relevant to the preparation and fair presentation of the 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. In note 2(b), the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial report of the Group, comprising the financial statements and notes, complies with International Financial Reporting Standards.

The directors of the Company are also responsible for the remuneration disclosures contained in the Directors' Report.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement. Our responsibility is also to express an opinion on the remuneration disclosures contained in the Directors' Report based on our audit.

TO THE MEMBERS

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report and the remuneration disclosures contained in the Directors' Report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report and the remuneration disclosures contained in the Directors' Report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report and the remuneration disclosures contained in the Directors' Report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report and the remuneration disclosures contained in the Directors' Report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion on the financial report

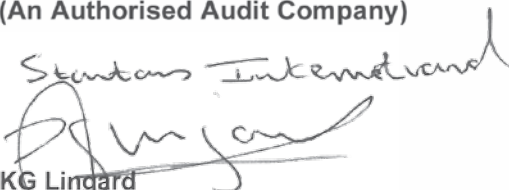
In our opinion:

- (a) the financial report of Thundelarra Exploration Ltd is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 September 2008 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- (b) the financial report of the Group also complies with International Financial Reporting Standards as disclosed in note 2(b).

Auditor's opinion on the AASB 124 remuneration disclosures contained in the directors' report

In our opinion the remuneration disclosures that are contained in pages 16 to 22 of the Directors' Report comply with section 300 A of the *Corporations Act 2001*.

STANTONS INTERNATIONAL
(An Authorised Audit Company)


KG Lingard
Director

West Perth, Western Australia
19 December 2008

Stantons International

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19 December 2008

Board of Directors
Thundelarra Exploration Ltd
Level 3, IBM Building
1060 Hay Street
West Perth, WA 6005

Dear Directors

RE: THUNDELARRA EXPLORATION LTD

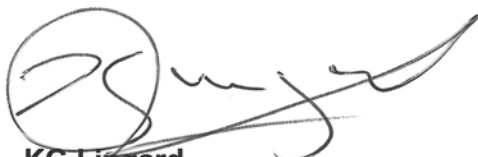
In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Thundelarra Exploration Ltd.

As the Audit Director for the audit of the financial statements of Thundelarra Exploration Ltd for the year ended 30 September 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 audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

STANTONS INTERNATIONAL
(Authorised Audit Company)



KG Lingard
Director

The following information dated 15 December 2008 is required by the Listing Rules of the Australian Stock Exchange Ltd

1. DISTRIBUTION AND NUMBER OF HOLDER OF EQUITY SECURITIES

Distribution	Fully Paid Ordinary Shares	2009 Quoted Options
1 – 1,000	185	2
1,001 – 5,000	585	21
5,001 – 10,000	444	21
10,001 – 100,000	853	92
100,001 and over	143	25
Total	2,210	161
Holding less than a marketable parcel.	553	18

2. TWENTY LARGEST SHAREHOLDERS OF QUOTED SECURITIES

(a) Ordinary shares

Name	Number of Shares Held	%
Ragged Range Mining Pty Ltd & Associates	17,941,813	15.75
Norilsk Nickel Australia Pty Ltd	7,800,000	6.85
Fortis Clearing Nominees P/L Settlement A/C	6,194,938	5.44
GBS Gold Holdings Pty Ltd	4,500,000	3.95
Fortis Clearing Nominees P/L Next Custodian A/C	3,438,390	3.02
Sally Malay Mining Limited	2,500,000	2.19
Mr Clive Anthony Rutherford Mrs Pamela Anne Rutherford	1,950,000	1.71
Mr Frank DeMarte	1,804,726	1.58
David Dawson	1,500,000	1.32
Mr Brian Richardson	1,036,581	0.91
Gurravambi Investments Pty Ltd Super Fund A/C	883,547	0.78
Arkman Pty Limited S & L Turner S/F A/C	853,500	0.75
Mr Jeffrey Arthur Liddell Mrs Terri Anne Liddell	850,000	0.75
Jatig Investments Pty Ltd Jatig S/F A/C	800,000	0.70
Mr Stephen Michael Turner Mrs Lola Ann Turner	673,000	0.59
Dahele Pty Ltd	650,000	0.57
Mr Jay Adam Graham	640,000	0.56
ANZ Nominees Limited Cash Income A/C	627,402	0.55
Mrs Kerry Louise Longworth	606,000	0.53
Basscott Pty Ltd A Abrahams Family A/C	600,000	0.53
Total	55,849,897	49.03

2. TWENTY LARGEST SHAREHOLDERS OF QUOTED SECURITIES (continued)**(b) Options expiring 30 June 2009**

Name	Number of Options Held	%
Fortis Clearing Nominees P/L Settlement A/C	2,644,183	22.30
Fortis Clearing Nominees P/L Next Custodian A/C	684,000	5.77
David Wellacott	410,000	3.46
Ms Emily Kate Muschol	345,500	2.91
Mr Neal John Worthington	290,000	2.45
PM-Tec Pty Ltd	250,000	2.11
Mr Lindsay David Williams Mrs Gayle Olive Williams LD & Go Williams Fam A/C	250,000	2.11
Mrs Jane Helena Evelyn Pilgrim	210,000	1.77
Calibrate Australia Pty Ltd Calibrate Staff S/F A/C	203,516	1.72
Mr Peter Rockey	200,000	1.68
Peto Pty Ltd The 1953 Super Fund A/C	172,000	1.45
Mr Robert Francis Reinkowsky Mrs Shahn Lee Reinkowsky	160,000	1.35
Custodial Services Limited Beneficiaries Holding A/C	155,000	1.31
Arharidis Brothers Pty Ltd	150,000	1.27
Mr Howard Hilton Mrs Kathrine Ann Briscoe Hilton Super Fund A/C	150,000	1.27
Mr Nicholas John Ireland	144,500	1.22
Mr Robert Dobson	142,429	1.20
Chetan Enterprises Pty Ltd	140,000	1.18
Mr Marek Kozlowski	130,000	1.09
Total	7,005,216	59.10

3. SUBSTANTIAL SHAREHOLDERS

An extract from the Company's register of substantial shareholders is set out below:

Name	Number of Shares Held	%
Ragged Range Mining Pty Ltd & Associates	17,941,813	15.75
Norilsk Nickel Australia Pty Ltd	7,800,000	6.85

4. VOTING RIGHTS

The Company's share capital is of one class with the following voting rights:

(a) Ordinary Shares

On a show of hands every shareholder present in person or by proxy shall have one vote and upon a poll each share shall have one vote.

(b) Options

The Company's options have no voting rights.

5. STOCK EXCHANGE LISTING

Thundelarra Exploration Limited ordinary shares are listed on all member exchanges of the Australian Stock Exchange Limited. The home exchange is the Australian Stock Exchange (Perth) Limited.

6. RESTRICTED SECURITIES

There are no ordinary shares on issue that have been classified by the Australian Stock Exchange Limited, Perth as restricted securities.

7. TENEMENTS HELD

Tenement Number and Type	Tenement Name	Holder/ Applicant	Interest (%)	Status
EAST KIMBERLEY				
E80/2572	Billymac Yard	THX	100	Granted 23/07/02
E80/3705	Black Hills	THX/BRW	40/60	Granted 08/08/07
E80/2827	Bow River West	THX/BRW	40/60	Granted 07/10/02
E80/3525	Cattle Creek East	THX	100	Granted 22/08/06
M80/540	Copernicus	THX/PAN	40/60	Granted 08/01/08
E80/2635	Corkwood North	THX/BRW	40/60	Granted 23/05/02
E80/3874	Corkwood North	THX/BRW	40/60	Granted 08/04/08
E80/3875	Corkwood North	THX/BRW	40/60	Granted 28/07/08
E80/3876	Corkwood North	THX/BRW	40/60	Granted 08/04/08
E80/3877	Corkwood North	THX/BRW	40/60	Granted 08/04/08
P80/1621	Corkwood North	THX/BRW	40/60	Granted 22/04/08
P80/1622	Corkwood North	THX/BRW	40/60	Granted 22/04/08
P80/1623	Corkwood North	THX/BRW	40/60	Granted 22/04/08
P80/1624	Corkwood North	THX/BRW	40/60	Granted 22/04/08
P80/1625	Corkwood North	THX/BRW	40/60	Granted 22/04/08
E80/2607	Corkwood South	THX/BRW	40/60	Granted 23/05/02
E80/3873	Corkwood South	THX/BRW	40/60	Granted 08/04/08
P80/1618	Corkwood South	THX/BRW	40/60	Granted 22/04/08
P80/1619	Corkwood South	THX/BRW	40/60	Granted 22/04/08
P80/1620	Corkwood South	THX/BRW	40/60	Granted 22/04/08
E80/3625	Corkwood West	THX	100	Granted 03/01/07
E80/2748	Dave Hill	THX/BRW	40/60	Granted 15/01/03
ELA80/4196	Dougal Bore	THX	100	Pending (applied 25/09/08)
E80/3499	Edle West	THX	100	Granted 24/07/06
E80/3878	Eileen Bore	THX/BRW	40/60	Granted 07/10/08
E80/2716	Eileen Bore	THX/BRW	40/60	Granted 08/02/02
P80/1563	Eileen Bore	THX/BRW	40/60	Granted 16/02/07
E80/2865	Fletcher Creek	THX/BRW	40/60	Granted 07/10/02
E80/2878	Frank Hill	THX	100	Granted 13/12/04
ELA80/4065	Frank Hill East	THX	100	Pending (applied 11/10/07)
ELA80/4095	Frank Hill North	THX	100	Pending (applied 18/09/08)
ELA80/4191	Frank Hill South	THX	100	Pending (applied 26/08/08)
E80/2836	Frog Hollow	THX/BRW	40/60	Granted 04/07/03
E80/3854	Gibb	THX	100	Granted 25/02/08
E80/3323	Keller West	THX/BRW	40/60	Granted 25/07/05
E80/2867	Killarney	THX/BRW	40/60	Granted 04/03/03
E80/3704	Koondooloo	THX/BRW	40/60	Granted 08/08/07
E80/2601	Lamboo	THX	100	Granted 29/07/02
E80/3861	Lamboo	THX	100	Granted 30/01/08
E80/3364	Lamboo Sth	THX	100	Granted 16/05/05
E80/2559	Lamboo West	THX/HAW	80/20	Granted 06/03/03
P80/1549	Lodestone	THX	100	Granted 25/09/06
E80/2567	Lodestone South	THX/HAW	80/20	Granted 12/01/04
PLA80/1690	Mabel South	THX/WAV	80/20	Pending (applied 05/08/08)
E80/2817	Mable Downs	THX/BRW	40/60	Granted 04/03/03
E80/2824	Mable West	THX/BRW	40/60	Granted 03/09/02
E80/2835	McKenzie Spring	THX/BRW	40/60	Granted 07/10/02

7. TENEMENTS HELD (continued)

Tenement Number and Type	Tenement Name	Holder/ Applicant	Interest (%)	Status
ELA80/4169	Mt Pitt	THX	100	Pending (applied 23/05/08)
E80/2746	Nortons	THX/BRW	40/60	Granted 18/06/02
ELA80/3858	Ord River	THX	100	Pending (applied 22/01/07)
E80/3355	Ord West	THX	100	Granted 16/05/05
ELA80/4194	Palm Yard	THX	100	Pending (applied 26/08/08)
E80/2290	Panton North	THX/KMN	80/20	Granted 24/06/98
ELA80/3800	Rosewood	THX	100	Pending (applied 21/11/06)
ELA80/3975	Rosewood West	THX	100	Pending (applied 18/06/07)
E80/2749	Sally Downs Well	THX/BRW	40/60	Granted 15/08/03
E80/3673	Sophie Downs	THX/BRW	90/10	Granted 05/02/07
E80/3572	Spinifex	THX	100	Granted 28/08/06
ELA80/4141	Spinifex East	THX	100	Pending (applied 26/02/08)
E80/3498	Togo 2	THX/WAV	80/20	Granted 24/07/06
ELA80/4049	Togo East	THX/WAV	80/20	Pending (applied 28/09/07)
E80/2574	Togo Nth	THX/HAW	80/20	Granted 27/10/03
E80/2866	Warmun	THX/BRW	60/40	Granted 16/05/03
P80/1583	White Rock Well	THX	100	Granted 25/05/07
PILBARA				
E47/1304	Pyramid	THX	100	Granted 23/01/06
E47/1305	Pyramid	THX	100	Granted 21/02/06
E47/1467	Pyramid	THX	100	Granted 23/01/06
E45/2611	Red Rock	THX/DEG	20/80	Granted 08/11/05
ELA45/2695	Runton	THX	100	Pending (applied 03/12/04)
PEAK HILL				
ELA52/1891	Atvernon	CULLEN	100 ¹	Pending (applied 26/07/05)
ELA52/1892	Kallenia	CULLEN	100 ¹	Pending (applied 26/07/05)
ELA52/1940	Kunderong	THX	100	Pending (applied 20/03/06)
E52/1909	Paradise	THX	100	Granted 04/08/06
ELA52/1890	Yilbrinna	CULLEN	100 ¹	Pending (applied 26/07/05)
GASCOYNE				
E09/1342	Glenburgh	THX	100	Granted 18/05/07
E09/1340	Kennedy Range	THX	100	Granted 18/05/07
ELA09/1573	Kennedy Range South	THX	100	Pending (applied 15/08/08)
E09/1341	Mt Phillips	THX	100	Granted 04/05/07
QUEENSLAND				
EPM15849	Gregory Range	THX	100	Granted 04/05/07
EPM17591	Little River	THX	100	Pending (applied 28/04/06)

7. TENEMENTS HELD (continued)

Tenement Number and Type	Tenement Name	Holder/ Applicant	Interest (%)	Status
NORTHERN TERRITORY				
EL10043	Brumby Gap	EARTHROWL, WHITE, DOUGLAS	100 ²	Granted 05/09/02
EL26957	Esmerelda	THX	100	Pending (applied 18/09/08)
EL10167	Frances Creek	EARTHROWL, WHITE, DOUGLAS	100 ²	Granted 05/09/02
EL25553	Hayes Creek	THX	100	Granted 24/07/07
EL26024	McKinlay	THX	100	Granted 03/12/07
EL26955	Mt McLachlan	THX	100	Pending (applied 18/09/08)
EL24561	Mt Wedge	ALZ	100 ³	Pending (applied 21/01/05)
EL25734	Rosewood NT	THX	100	Granted 27/09/07
ELEMENT 92 PTY LTD				
EL25414	Dashwood	Element 92	100	Granted 26/06/07
EL25334	Jabangardi Hill	Element 92	100	Pending (applied 27/04/06)
EL25868	Mary River	Element 92	100	Granted 27/09/07
EL25283	Walbiri Range	Element 92	100	Pending (applied 24/04/06)
EL25556	Waite Bore	Element 92	100	Granted 23/08/07
EL24931	Burrundie	Element 92	100	Granted 17/07/06

1. THX earning 70%.
2. THX option to acquire 100%
3. THX acquiring 100%

Key to Tenement Type:

E/EL	-	Exploration License
ELA	-	Exploration License Application
EPM	-	Exploration Permit Minerals
MLA	-	Mining Lease Application
M	-	Granted Mining Lease
P	-	Prospecting License
PLA	-	Prospecting License Application

Key to Parties:

BRW	-	Breakaway Resources Pty Ltd
HAW	-	Hawthorn Resources Pty Ltd
THX	-	Thundelarra Exploration Ltd
KMN	-	Kimberley Mining NL
CULLEN	-	Cullen Exploration Pty Ltd
ELEMENT 92	-	Element 92 Pty Ltd
ALZ	-	Aldershot Resources Ltd
PAN	-	Panoramic Resources Limited
WAV	-	B Wasse, AM_Australian Minerals Exploration Pty Ltd and Voermans Geological Services Pty Ltd



THUNDELARRA
EXPLORATION

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ANNUAL REPORT 2008