

## ASX ANNOUNCEMENT

29 January 2009

**Thundelarra Exploration Ltd**

ABN 74 950 465 654

ACN 085 782 994

For further information  
regarding Thundelarra  
Exploration Ltd contact:

**Brett Lambert**  
Managing Director

or

**Brian Richardson**  
Director of Exploration

Phone: + 61 8 9321 9680

Fax: + 61 8 9321 9670

**Website:**

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

**Email:**

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

**Registered Office:**

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

PO Box 7363, Cloisters  
Square Perth Western  
Australia 6850



**THUNDELARRA**  
EXPLORATION

## ACTIVITY & CASHFLOW REPORT FOR THE QUARTER ENDING 31 DECEMBER 2008

### HIGHLIGHTS

#### URANIUM EXPLORATION

- High grade drill intercepts from Thunderball prospect, Pine Creek, NT
- Very high level radiometric anomalism identified to south-west of Thunderball
- Rock chip sampling returns up to 11.2% U<sub>3</sub>O<sub>8</sub> at the Gregory Range project, Qld

#### COPERNICUS NICKEL MINE

- Mining suspended following nickel price deterioration
- 20,021 tonnes at 1.47% Ni, 0.77% Cu and 0.05% Co produced in current quarter
- The open pit remains in a state that would enable mining to recommence at short notice

#### BASE METALS EXPLORATION

- Significant new copper discovery at Frank Hill
- Drilling at Mabel Hill intersects broad zone of low grade nickel/copper sulphide mineralisation, ground magnetic survey defines further targets
- East Kimberley tenement interests expanded

#### CORPORATE

- United Minerals Corp reports further high grade drill intercepts at the Railway Iron Ore prospect
- Development team assembled for Railway Project definitive engineering study
- New iron ore discovery at Railway East

## URANIUM EXPLORATION

### NORTHERN TERRITORY

The details of the exploration activities conducted during the December 2008 quarter and planned work programs for the March 2009 quarter are as follows:

#### **Thunderball Prospect**

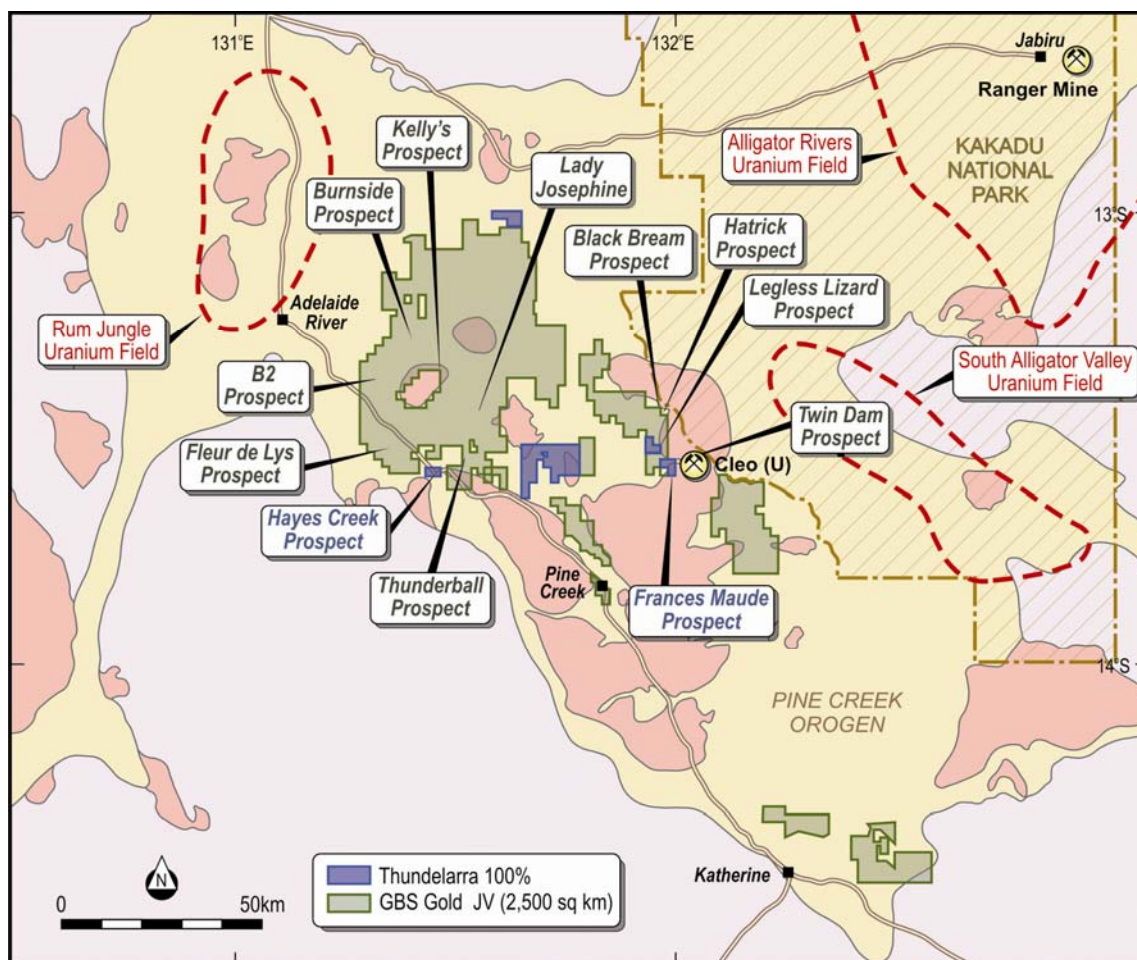
During the quarter Thundelarra reported high grade uranium assays from the 9 hole RC drilling program conducted at the Thunderball prospect in September 2008.

Recorded down-hole intercepts included:

- Hole 08PCRC019     - **3 metres at 938ppm  $U_3O_8$**  and  
                              - **3 metres at 1,001ppm  $U_3O_8$**
- Hole 08PCRC020     - **3 metres at 2,964 ppm  $U_3O_8$**  including  
                              - **1 metre at 8,071ppm  $U_3O_8$**

Mineralisation in 08PCRC019 consists of vein style pitchblende with an overprint of secondary uranium oxides. 08PCRC020 was drilled down dip from 08PCRC019 and intersected vein style pitchblende mineralisation. Host rocks are meta-sedimentary and tuffaceous units of the Mt Bonnie Formation of the Proterozoic Pine Creek Orogen in close proximity to the Hayes Creek Fault, a major regional structure.

**Pine Creek Project - Thunderball Prospect**



Results currently available from the 9-hole program are tabulated over page; assays for the last two holes drilled are yet to be received.

The Thunderball prospect is situated on EL23431, which is part of the Pine Creek Uranium Joint Venture between Thundelarra (70%) and GBS Gold Australia (30%). The September 2008 program was the first drilling completed at the prospect and was designed to test part of a prominent north-east trending radiometric anomaly that can be traced for over 800 metres and remains open to the south-west.

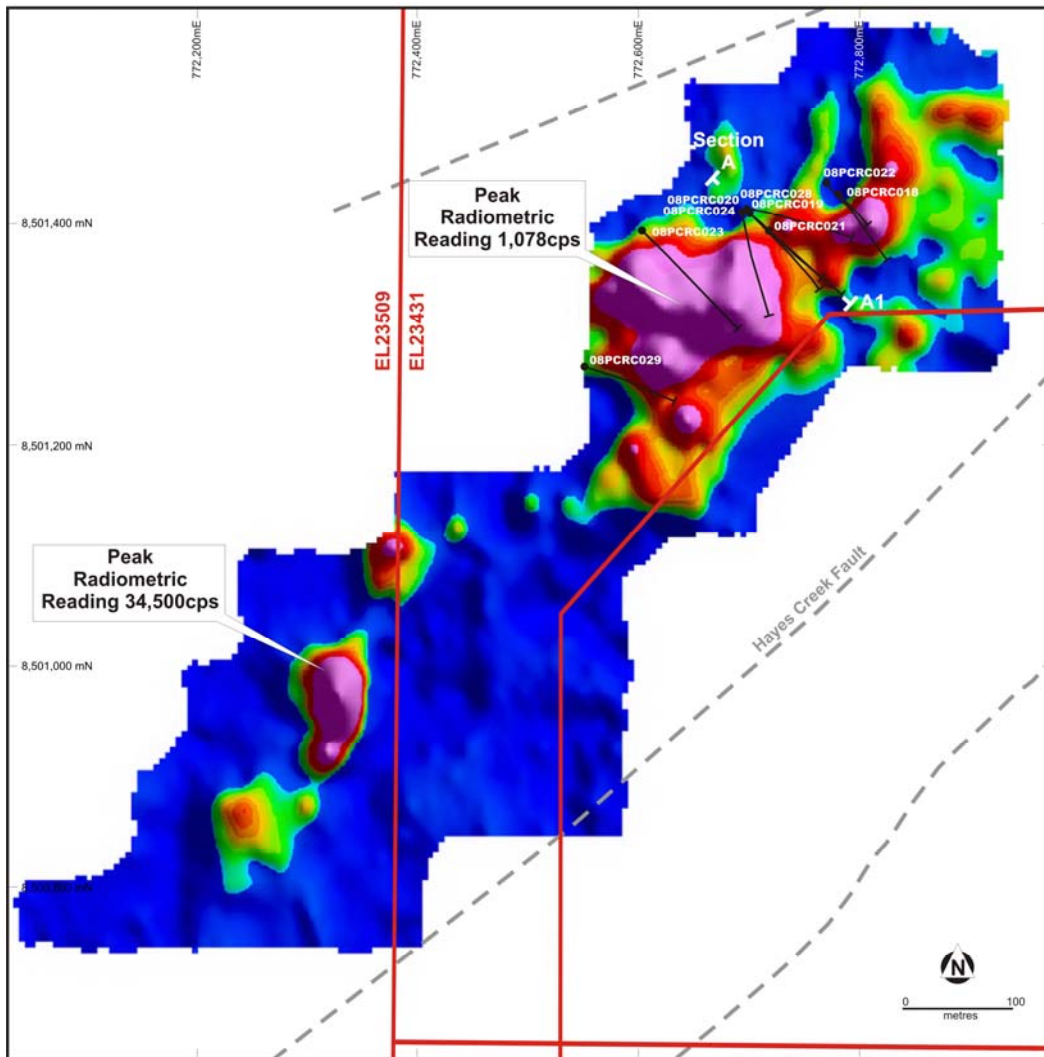
Thunderball is a significant new discovery in the Pine Creek Orogen and will be a major focus for Thundelarra in 2009.

No significant assay results were returned from the limited drilling conducted at the Lady Josephine, Bella Rose, Anomaly 136 and Fleur de Lys prospects.

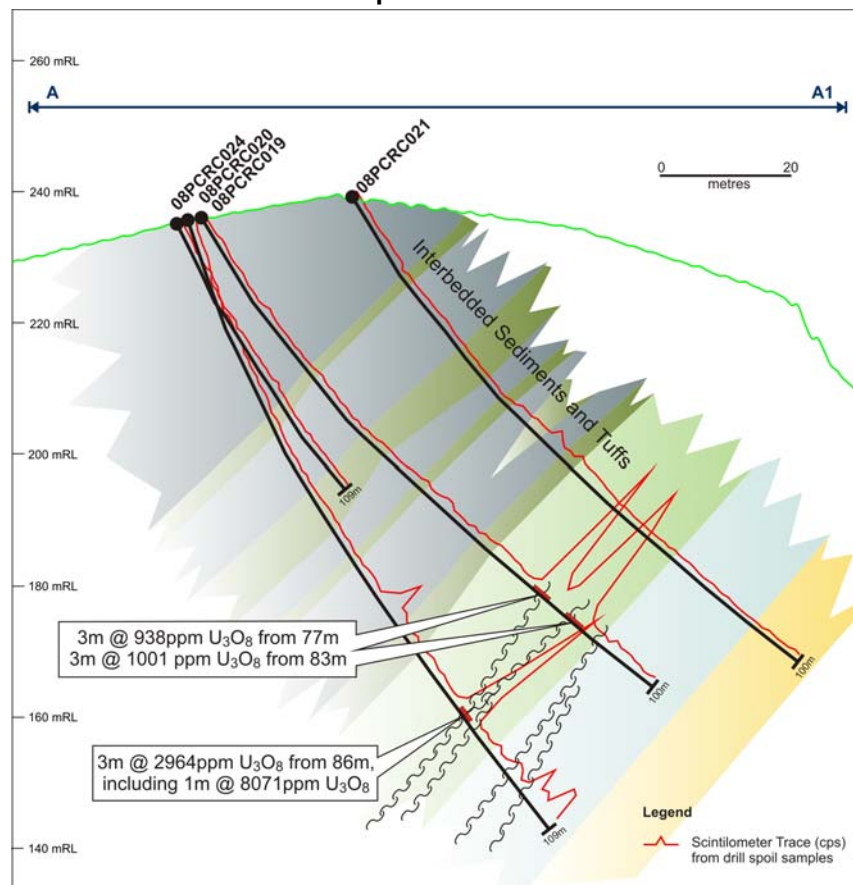
#### Thunderball Prospect Significant Drill Intercepts

Hole Number	East	North	Dip/Az	From-To	Interval	U <sub>3</sub> O <sub>8</sub> ppm
08PCRC018	772778	8501428	-60/134	13-16m	3m	89
08PCRC019	772699	8501410	-59/134	77-80m	3m	938 (2.1lb/t)
including				78-79m	1m	2,053 (4.5lb/t)
and				83-86m	3m	1,001 (2.2lb/t)
including				83-84m	1m	1,960 (4.3lb/t)
08PCRC020	772697	8501411	-72/136	86-89m	3m	2,964 (6.5lb/t)
including				87-88m	1m	8,071 (17.8lb/t)
and				97-100m	3m	118
and				102-104m	2m	212
08PCRC021	772715	8501394	-59/133	49-50m	1m	142
08PCRC022	772767	8501438	-72/134	No significant results		
08PCRC023	772602	8501395	-59/135	No significant results		
08PCRC024	772693	8501410	-59/172	74-79m	5m	101
08PCRC028	772697	8501415	-60/103	Awaiting results		
08PCRC029	772550	8501271	-60/104	Awaiting results		

Note: Datum is MGA Zone 52 GDA94. Intercepts calculated using 100ppm U lower cut.



Thunderball Prospect – Drill Section A-A1



In January 2009, Thundelarra commenced a detailed ground radiometric survey to test for a south-west extension of the Thunderball uranium mineralisation into the adjacent tenement EL23509. Thundelarra secured an option to acquire a 100% interest in EL23509 in early December 2008. Preliminary results from this ground survey indicate significant extensions to the Thunderball uranium prospect (see Thunderball prospect map).

The survey is showing that strong radiometric anomalism extends to at least 400 metres south west and along strike of the original Thunderball discovery. The anomaly has returned a peak radiometric reading on the 25 metre survey grid of 3,674 counts-per-second (cps) total count. Spot spectrometer readings of up to 34,500cps total count and 3,756ppm equivalent uranium were recorded locally (between survey grid lines) using an Exploranium G135 instrument.

The ground radiometric survey results are highly encouraging as they indicate a much higher order of radiometric anomalism than the initial Thunderball anomaly which returned peak grid radiometric results of 1,078cps total count.

Initial reconnaissance geological mapping shows that the new anomaly lies along the same geological-structural zone as Thunderball, although the anomaly itself is covered by colluvial and residual soils and no outcrop has as yet been located.

Thundelarra anticipates completing the detailed and extensive ground radiometric survey within EL23509 by the end of February 2009. Follow-up exploration including drilling will commence after the summer monsoon.

## **QUEENSLAND**

### **GREGORY RANGE PROJECT (THX 100%)**

During the quarter Thundelarra reported high grade assay results from the Pandanus uranium prospect and The Bluff silver prospect. Both prospects are situated within the 100% owned Gregory Range Project in northern Queensland.

At Pandanus rock chip sampling returned assays of up to 11.2%  $U_3O_8$  (Sample No. TK653088) from highly weathered and altered rocks within a microgranitic dyke swarm. Assay results are presented in the following table.

Pandanus was discovered in June 2008 when initial rock chip sampling returned assays of up to 3.25%  $U_3O_8$  (TK651289). The exceptional grades from the latest field program confirmed and enhanced the significance of this discovery.

Microgranitic dykes were also identified at a new prospect called "Braden's Gap" located 2.7 kilometres south of Pandanus. Rock chip sampling from this area returned assays of up to 4,453ppm or 0.45%  $U_3O_8$  (TK653082).

Airborne radiometric data indicates that Pandanus and Braden's Gap may form part of a mineralised corridor that extends for approximately five kilometres. To date limited evaluation of this corridor has been undertaken beyond the immediate vicinity of the two identified prospects.

## Gregory Range Rock Chip Sample Results

Prospect	SampleID	Easting	Northing	ppm U <sub>3</sub> O <sub>8</sub>
Pandanus	TK651286	701782	7955224	88
Pandanus	TK651287	701743	7955243	3,973
Pandanus	TK651288	701746	7955246	1,112
Pandanus	TK651289	701710	7955300	32,540
Pandanus	TK651290	701837	7955160	220
Pandanus	TK653071	701808	7955230	99
Pandanus	TK653086	701809	7955219	28
Pandanus	TK653087	701775	7955259	77
Pandanus	TK653088	701712	7955309	112,359
Pandanus	TK653089	701724	7955322	129
Pandanus	TK653090	701690	7955304	64
Pandanus	TK653091	701730	7955240	1,839
Braden's Gap	TK651169	702677	7952675	742
Braden's Gap	TK653074	702678	7952675	52
Braden's Gap	TK653075	702680	7952675	11
Braden's Gap	TK653076	702681	7952687	7
Braden's Gap	TK653077	702686	7952696	24
Braden's Gap	TK653078	702687	7952708	58
Braden's Gap	TK653079	702690	7952714	28
Braden's Gap	TK653080	702692	7952646	54
Braden's Gap	TK653081	702685	7952659	57
Braden's Gap	TK653082	702687	7952664	4,457
Braden's Gap	TK653083	702687	7952664	144
Braden's Gap	TK653084	702685	7952667	72
Braden's Gap	TK653085	702699	7952713	91

At The Bluff prospect the geological mapping and rock chip sampling program returned bonanza-grade silver mineralisation of up to 2,280 g/t (73 oz/t) with elevated levels of gold and base metals.

The mineralisation is hosted by a series of narrow quartz veins that have now been mapped and sampled over a cumulative strike length of 2.25 kilometres. The average silver grade of all 66 samples collected in the latest program is 118 g/t (3.8 oz/t). Assay results for all Bluff samples are presented in the following table.

## The Bluff – Rock Chip Sample Results

SampleID	Easting	Northing	Ag_ppm	As_ppm	Sb_ppm	Sn_ppm	Zn_ppm
TK651298	697247	7958497	0	7	5	5	68
TK651300	697801	7958263	59	1990	>1%	19	445
TK651301	698038	7958073	204	2210	3160	20	20
TK651305	698325	7957483	0	7	15	3	11
TK653003	697839	7958268	1	35	95	-5	199
TK653004	698056	7958269	13	812	377	39	15
TK653005	698496	7958710	28	455	346	85	35
TK653006	698494	7958720	12	337	119	104	35
TK653007	698494	7958736	13	869	134	56	22
TK653008	698492	7958933	52	140	119	2150	46
TK653009	698493	7958947	7	50	41	221	19
TK653010	698493	7958946	20	46	30	1515	15
TK653011	697826	7958637	2	639	621	41	348
TK653012	697822	7958553	10	983	691	28	77
TK653015	697846	7958907	11	63	779	132	995
TK653016	698075	7958997	16	735	1250	1910	17
TK653017	698069	7959071	3	332	158	275	7
TK653018	698057	7958618	14	130	785	43	54
TK653019	698055	7958614	16	3100	6980	56	147

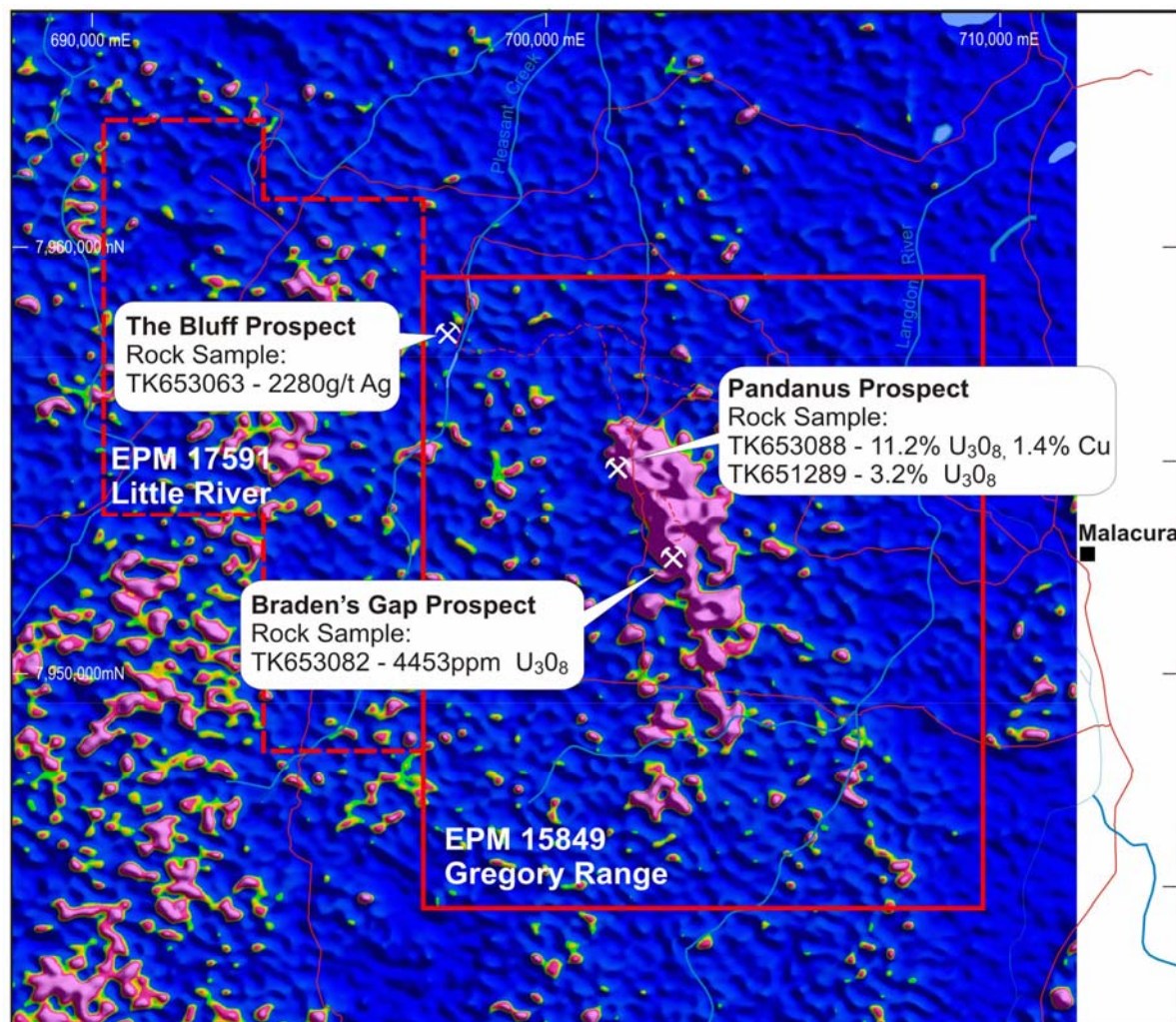


SampleID	Easting	Northing	Ag_ppm	As_ppm	Sb_ppm	Sn_ppm	Zn_ppm
TK653020	698054	7958581	1	101	79	11	39
TK653021	698049	7958571	351	16	129	4	40
TK653022	698055	7958558	44	129	169	2	14
TK653023	698063	7958494	5	1780	272	3	28
TK653024	698060	7958474	30	1995	1120	24	19
TK653025	698064	7958458	38	2150	2100	1	716
TK653026	698065	7958435	9	1175	271	4	21
TK653027	698070	7958378	217	6020	2020	140	76
TK653028	698060	7958331	33	4910	5030	77	1040
TK653029	698055	7958305	320	417	287	1995	100
TK653030	698050	7958233	48	1690	5000	67	247
TK653031	698040	7958194	2	218	418	3	42
TK653032	698049	7958147	229	875	310	118	23
TK653033	698041	7958105	19	279	1070	37	238
TK653037	698504	7958630	2	1745	334	21	11
TK653038	698505	7958681	2	60	17	27	23
TK653039	698478	7958850	353	1635	699	686	26
TK653040	698490	7958914	28	220	157	398	28
TK653041	698600	7957526	7	376	170	9	115
TK653042	698620	7957726	91	265	300	37	51
TK653043	698507	7958328	3	9	14	10	158
TK653044	698505	7958574	1	704	134	31	12
TK653045	698036	7958036	63	1175	4770	71	666
TK653046	698035	7958018	9	1860	857	21	64
TK653047	698041	7957908	3	98	33	14	14
TK653048	698041	7958087	964	4370	6000	915	70
TK653049	698043	7958083	140	3790	2740	193	47
TK653050	697823	7958434	7	541	-8888	3	59
TK653051	697804	7958442	5	269	1290	48	34
TK653052	697808	7958457	14	793	7970	61	182
TK653053	697810	7958514	52	1395	1545	153	1750
TK653054	697827	7958572	23	588	839	99	227
TK653055	697813	7958494	7	1035	3810	56	226
TK653056	697809	7958403	38	344	1565	189	60
TK653057	697813	7958385	6	348	298	14	11
TK653058	697806	7958336	3	120	811	4	87
TK653059	697802	7958312	22	1415	1185	26	21
TK653060	697801	7958283	488	546	2130	993	45
TK653061	697785	7958189	277	110	9140	75	303
TK653062	697779	7958170	205	349	312	382	245
TK653063	697778	7958150	2280	1870	290	365	260
TK653064	697788	7958016	12	336	214	1	25
TK653065	697786	7957967	34	1330	228	2	14
TK653066	697788	7957905	709	856	124	2	47
TK653067	697803	7957845	7	4450	503	15	15
TK653068	697807	7957786	116	11650	1050	46	41

Ag (silver), As (arsenic), Sb (antimony), Sn (tin), Zn (zinc)  
Datum MGA94, Zone 54

Pandanus and The Bluff are virgin discoveries made by Thundelarra in the Company's first field season at Gregory Range. Results to date are considered outstanding for this early stage. Work programs for 2009 are proposed to include detailed geophysical surveys followed-up by drill testing of both The Bluff Prospect and the Pandanus/Braden's Gap trend.

#### Gregory Range Project



\*Datum Zone: MGA 94 54

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

Operationally the Copernicus open pit performed strongly during the quarter. However significant and sustained deterioration in the nickel price following the commencement of construction severely impacted project economics leading the Company and joint venture partner Panoramic Resources Ltd to suspend mining pending an improvement in financial conditions.

During the quarter 252,327 bank cubic metres (BCM) were mined taking the total since mining commenced to 540,099 BCM. Ore produced during the quarter was 20,021 tonnes at 1.47% nickel, 0.77% copper and 0.05% cobalt.

Mining operations were wound down over a period of a month from mid November. By the time mining ceased the pit had been fully mined down to the 345 mRL bench, 30 metres below surface and 50 metres above the planned pit base. Gossanous material extracted from immediately above the ore body, deemed to be potentially acid forming, was encapsulated by inert waste rock in a surface stockpile to ensure long term stability. All pit batters were scaled clean, all broken rock was excavated and removed from the pit and a safety bund constructed around its perimeter.



By late December all mined ore had been hauled from Copernicus to the Savannah plant in preparation for processing. Early in the quarter some transitional (partially oxidised) ore from the upper benches of the pit was fed into the plant, however it soon became evident that on its own this material was too soft for the configuration of the milling circuit and processing was curtailed. It is proposed to blend the transitional material with harder fresh ore and process all stockpiled ore during the March quarter.

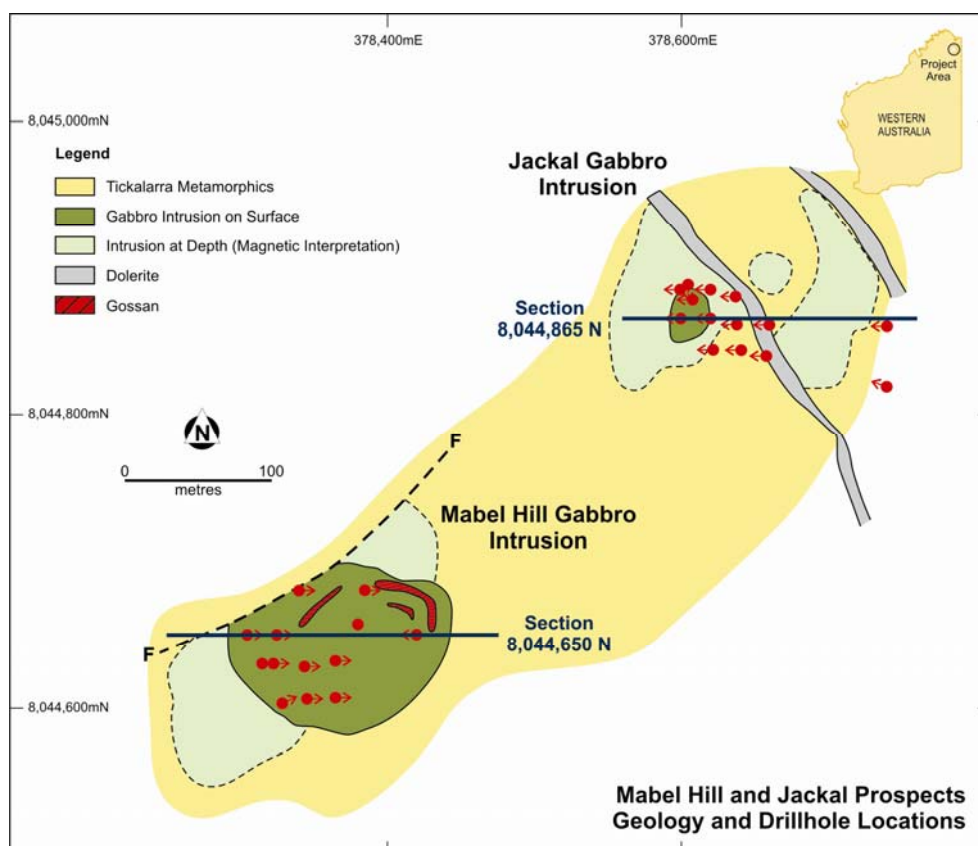
There were no lost time injuries incurred during construction and mining at Copernicus.

The Company believes that there are good prospects for a nickel price recovery in the medium term supported by reduced supply due to the closure of a number of producing mines and the return of stability to international financial markets. The Copernicus operation has been left in a state that will allow production to recommence at short notice when the nickel price has stabilised at a level that will support a satisfactory profit margin.

## **BASE METAL EXPLORATION**

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

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



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

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

**October 2008 Drilling, Selected Intercepts, Mabel Hill Prospect**

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

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

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

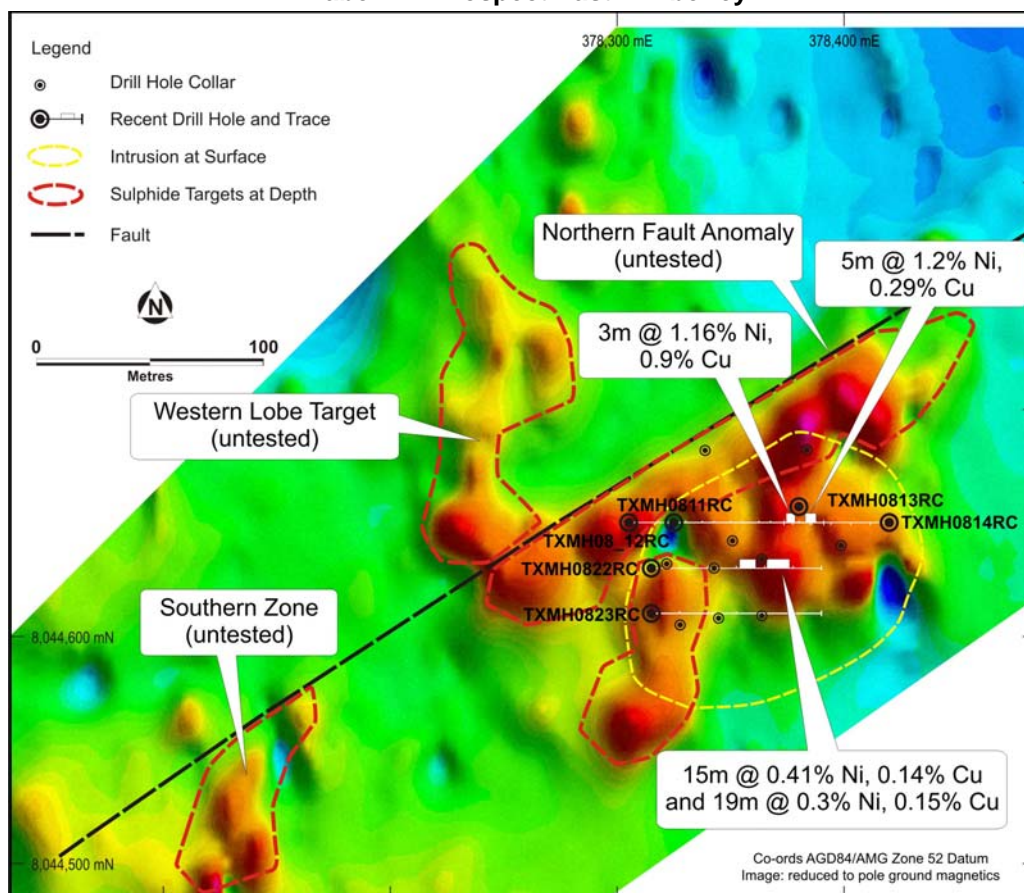
## October 2008 Selected Drill Intercepts, Jackal Prospect

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

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

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

## Mabel Hill Prospect East Kimberley



### **Frank Hill Copper Project (Thundelarra 100%)**

During the quarter Thundelarra reported the discovery of highly anomalous copper mineralisation at the Azura prospect within the 100% owned Frank Hill project. Sampling at the prospect returned copper values up to 4.81% and 10 g/t silver (rock sample TK651418) with native copper mineralisation observed in undeformed basaltic bedrock.

Thirteen rock samples were collected over a 3.4 kilometre strike extent with seven returning assays greater than 1% copper, as shown on the following plan and in the table below.

**Rock Samples, Azura Prospect**

<b>Sample</b>	<b>Northing</b>	<b>Easting</b>	<b>Description</b>	<b>Copper %</b>	<b>Silver g/t</b>	<b>Gold ppb</b>
TK651394	8071808	412778	ferruginous quartz float	0.01	0	0
TK651395	8071814	412867	mafic rock	0.01	0	1
TK651408	8073605	414021	variolitic basalt with malachite staining	0.44	2.5	7
TK651409	8073168	413740	basalt with malachite staining	0.89	0	0
TK651410	8073199	413688	basalt with malachite staining	<b>1.53</b>	5	22
TK651411	8073260	413707	mafic schist with cherty bands	0.03	0	0
TK651412	8074531	414868	sheared mafic/ultramafic with malachite and quartz	<b>3.43</b>	<b>14.5</b>	<b>136</b>
TK651413	8072437	412850	deformed mafic-ultramafic rock	0.48	2.5	22
TK651418	8072080	413259	native copper within mafic metasediments	<b>4.81</b>	<b>10</b>	<b>3</b>
TK651419	8072127	413233	basalt with malachite	<b>3.28</b>	<b>10</b>	<b>37</b>
TK651420	8072126	413205	basalt with malachite	<b>1.05</b>	3.5	9
TK651426	8072033	412988	basalt with malachite	<b>1.45</b>	4.5	253
TK651427	8072055	412988	basalt with malachite	<b>1.94</b>	6.5	595

Note: Datum is AMG Zone 52 AGD84.

Anomalous gold (to 595ppb) and silver (to 14.5g/t) values are also associated with the copper. The mineralisation is hosted within mafic volcanics (predominantly basalts with interflow sediments) and associated with hematitic alteration. The secondary copper minerals chalcocite and malachite were observed along with the native copper. Importantly the area of mineralisation is coincident with a 4 kilometre long HoistEM conductive anomaly. The source of this conductive anomaly is not known at this stage.

The Azura prospect was first identified earlier this year when a large specimen of native copper was found in a small creek bed (ASX Announcement 28 October 2008). Follow-up prospecting discovered insitu native copper mineralisation within a basalt outcrop on the creek bank approximately 500 metres upstream from the specimen location.

The geological setting and the observed alteration and mineralisation is similar to the Keweenawan style native copper and chalcocite dominated ore-bodies in northern Michigan, USA.

Exploration is at a very early but exciting stage and applications are being made to gain statutory approval to carry out drilling early in the 2009 season.

### **East Kimberley Regional Project (Thundelarra 100%)**

In December 2008, Thundelarra acquired Breakaway Resources Ltd's 60% equity in 31 tenements (covering 1,100 square kilometres) that had formed part of the East Kimberley Regional Joint Venture. Thundelarra now has management and 100% equity in tenements that contain;

- extensions to the Copernicus stratigraphy,

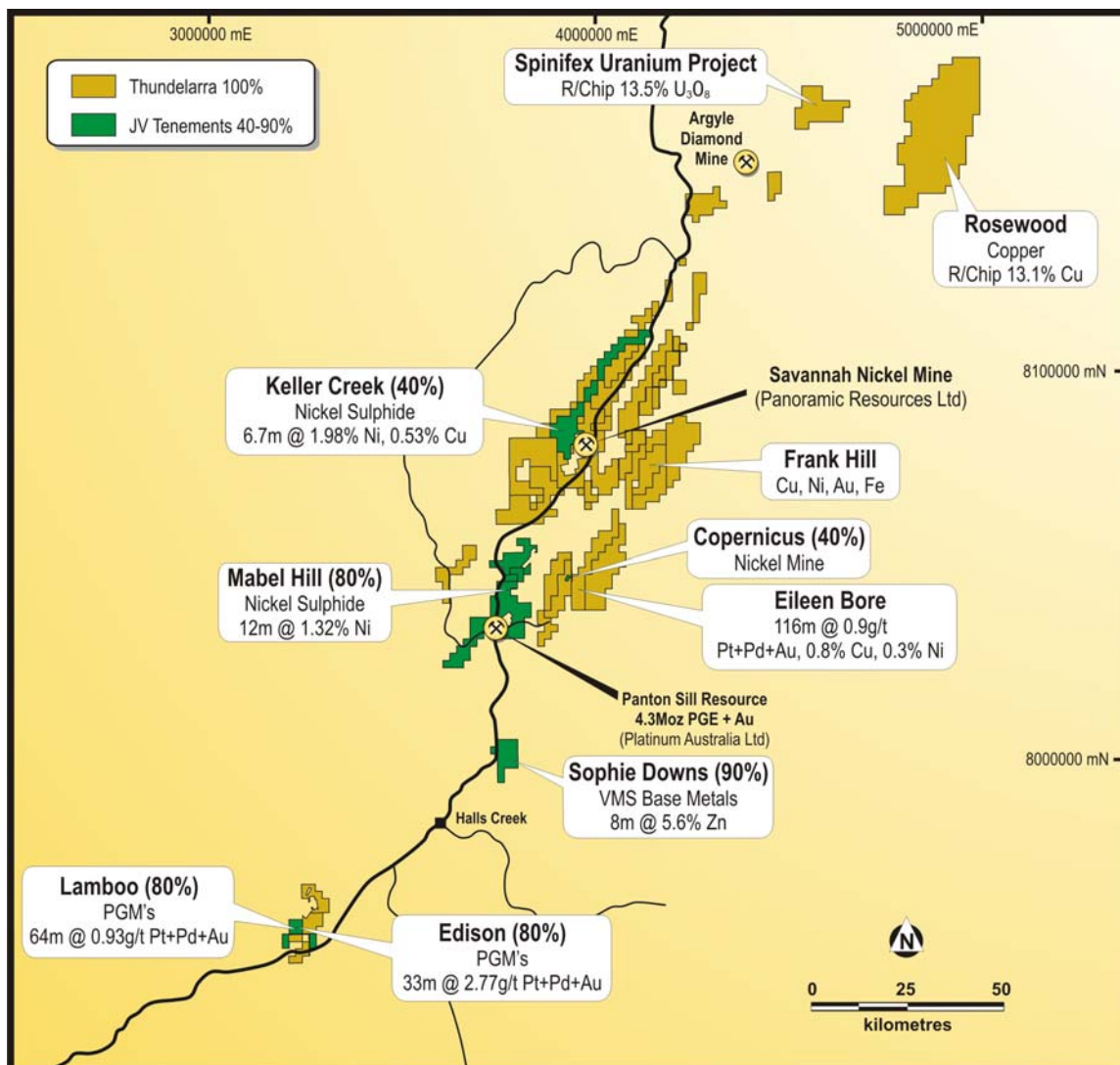
- the Corkwood trend, a 70 kilometre long belt that hosts a number of mineralised intrusions including the Eileen Bore intrusion, (best intercept 116 metres @ 0.28% nickel, 0.73% copper and 0.87g/t platinum + palladium + gold from surface),
- tenure and nickel sulphide targets around the Savannah Nickel mine (Panoramic Resources),
- the Frog Hollow titanium-vanadium project - a 45 kilometre long target with assays up to 1.76%  $V_2O_5$ , 39%  $TiO_2$  and 60.6%  $Fe_2O_3$  associated with a fractionated, magnetite rich gabbro.

Data is currently being evaluated and several new areas with advanced targets have been identified.

The East Kimberley Joint Venture with Breakaway Resources (60% and Manager/Thundelarra 40%) will remain in force over E80/2836 which contains the Keller Creek nickel prospect, located 7 kilometres west of the operating Savannah Nickel Mine.

Thundelarra now is manager and has between 80% and 100% equity in tenements forming the 1800 square kilometre East Kimberley Regional Project. Exploration in 2009 will focus on advancing the exciting new base metal discoveries made in late 2008 on tenements originally held by Thundelarra and the multi-commodity prospects within the areas recently acquired from Breakaway.

**East Kimberley Project Map**





## **CORPORATE**

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

During the quarter UMC continued reported additional high grade drill intercepts from Railway including:

UI 613	44m at 61.4% Fe
UI 614	75m at 60.5% Fe
UI635	35m at 61.2% Fe
UI636	32m at 62.4% Fe
UI637	27m at 63.4% Fe

Exploration also intersected ore grade mineralisation at the Railway East prospect including hole UI 362, 28 at 60.5% Fe.

UMC reported that a project development team has been assembled with the aim of delivering a definitive engineering study for the development of the Railway project as soon as possible.

The details contained in this report that pertain to ore and mineralisation is based upon information compiled by Mr Brian Richardson, a full-time employee of the Company. Mr Richardson is a Member of the Australasian Institute of Mining and Metallurgy (AUSIMM) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Richardson consents to the inclusion in this report of the matters based upon his information in the form and context in which it appears.

# Appendix 5B

## Mining exploration entity quarterly report

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

Name of entity

**THUNDELARRA EXPLORATION LTD**

ACN

**085 782 994**

Quarter ended ("current quarter")

**31 DECEMBER 2008**

### Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (3 months) \$A'000
<b>Cash flows related to operating activities</b>			
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration and evaluation	(1,165)	(1,165)
	(b) development	(1,136)	(1,136)
	(c) production	-	-
	(d) administration	(425)	(425)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	72	72
1.5	Interest and other costs of finance paid	(1)	(1)
1.6	Income taxes paid	-	-
1.7	Other		
	<b>Net Operating Cash Flows</b>	<b>(2,655)</b>	<b>(2,655)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a)prospects	-	-
	(b)equity investments	-	-
	(c) other fixed assets	(39)	(39)
1.9	Proceeds from sale of: (a)prospects	-	-
	(b)equity investments	-	-
	(c)other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other – Redemption of security deposits	8	8
	- Payment for intangibles	(31)	(31)
	<b>Net investing cash flows</b>	<b>(62)</b>	<b>(62)</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(2,717)</b>	<b>(2,717)</b>

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

1.13	Total operating and investing cash flows (brought forward)	(2,717)	(2,717)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – share issue costs	-	-
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	(2,717)	(2,717)
1.20	Cash at beginning of quarter/year to date	4,800	4,800
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>2,083</b>	<b>2,083</b>

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

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	228
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	Thundelarra's financial year is from the period 1 October 2008 to 30 September 2009.	

**Non-cash financing and investing activities**

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

Not Applicable

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

Not Applicable

### Financing facilities available

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

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

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	250
4.2 Development	1,500
<b>Total</b>	<b>1.750</b>

### Reconciliation of cash

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

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	767	386
5.2 Deposits at call	1,316	4,414
5.3 Bank overdraft	-	-
5.4 Other (bank guarantees)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>2,083</b>	<b>4,800</b>

## Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Pyramid South	E47/1467	100%	Nil
		Corkwood West	E80/3625	100%	Nil
		Springvale 1	E80/3719	100%	Nil
		Springvale 8	E80/3723	100%	Nil
		Rosewood	EL25734	100%	Nil
		Ord River	P80/1613	100%	Nil
		Lambo	P80/1614	100%	Nil
6.2	Interests in mining tenements acquired or increased	Eileen Bore	E80/3878	Nil	40%

## Issued and quoted securities at end of current quarter

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

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities (description)	-	-	-
7.2	Changes during quarter			
	(a) Increases through issues	-	-	-
	(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-
7.3	+Ordinary securities	113,915,409	113,915,409	-
7.4	Changes during quarter			
	(a) Increases through issues	-	-	-
		-	-	-
		-	-	-
	(b) Decreases through returns of capital, buy-backs	-	-	-
7.5	+Convertible debt securities (description)	-	-	-



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

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	- -	- -	- -	- -
7.7	<b>Options</b> ( <i>description and conversion factor</i> )	1,970,000 350,000 2,500,000 11,856,344 200,000 1,500,000 1,000,000 1,000,000 360,000 4,500,000 350,000 4,250,000 400,000 440,000 350,000	- - - 11,856,344 - - - - - - - - - - -	<i>Exercise price</i> \$0.675 \$0.220 \$0.40 \$0.19 \$0.55 \$0.50 \$0.50 \$0.68 \$0.52 \$0.45 \$0.47 \$0.50 \$0.39 \$0.52 \$0.11	<i>Expiry date</i> 26/02/2009 31/05/2009 12/04/2009 30/06/2009 28/02/2010 28/02/2010 31/05/2010 31/05/2011 30/06/2011 30/11/2010 31/12/2011 28/02/2013 03/04/2011 30/06/2012 31/12/2012
7.8	Issued during quarter	350,000	-	\$0.11	31/12/2012
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	<b>Debentures</b> ( <i>totals only</i> )	-	-		
7.12	<b>Unsecured notes</b> ( <i>totals only</i> )	-	-		

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:  
(Director /Company Secretary)

Date: 29 January 2009

Print name: FRANK DE MARTE

## Notes

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

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