

DRILLING COMMENCES AT HAYES CREEK

Thundelarra is pleased to report that drilling commenced this week at the **Thunderball uranium prospect** within the Hayes Creek project in the Northern Territory. The current RC drilling represents the start of a program aimed at expanding high grade uranium resources at Thunderball.

Further interpretation of existing drill data has identified that very high grade mineralisation occurs in close proximity to the hinge axis of the Thunderball anticline, as shown on the cross-section to the right. Drill hole logging has revealed a brittle-ductile deformation zone associated with the hinge, with favourable stratigraphic horizons within the Mt Bonnie Formation and Gerowie Tuff hosting uranium mineralisation. Importantly, the majority of drilling carried out to date is situated on the flank of the anticline, well west of the prospective hinge zone, as shown on the drill plan below.

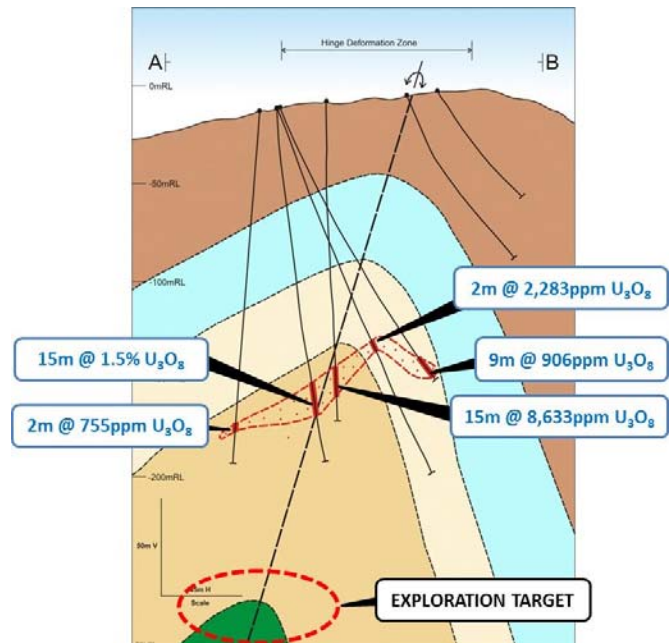
Drilling is currently targeting the deformation zone to the south of the existing resource. A combination of RC and diamond drilling will be used to test the deformation zone as it plunges to the north, with a diamond drill rig expected on site within two weeks.

A third exploration target at Thunderball is the intersection of the hinge axis with the Gerowie Tuff/Zamu Dolerite contact beneath the existing resource, as marked on the cross-section. The deformation zone and stratigraphic contact present good structural traps for mineralisation and the dolerite is a geochemically favourable host for uranium. This target will also be tested during the diamond drilling phase of the current program.

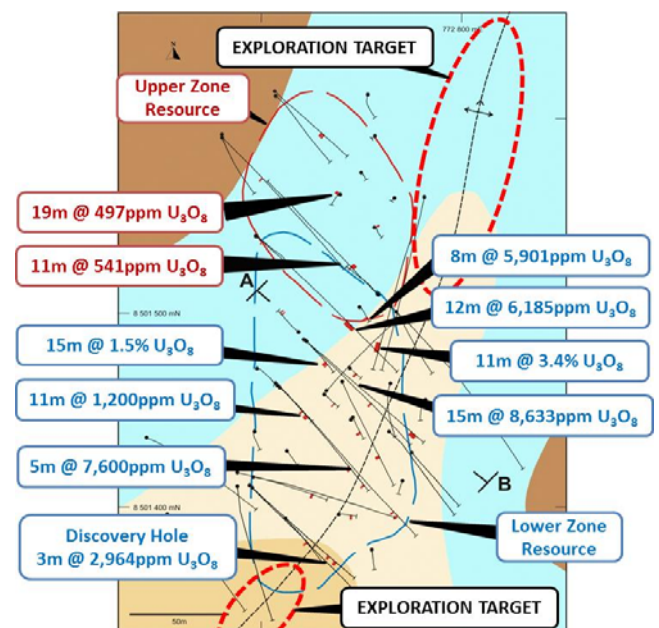
The Thunderball prospect is located on exploration license EL23431. Thundelarra has a 70% interest in the uranium rights on this tenement in joint venture with Crocodile Gold Australia Pty Ltd.

For Further Information Contact:

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Thunderball Cross-section



Thunderball Drill Plan

ABOUT THUNDELARRA

Thundelarra controls in excess of 8,000 square kilometres of tenure in the Northern Territory's Pine Creek and Ngalia Basin uranium provinces. The Company has made a number of significant uranium discoveries in both regions and has JORC compliant resources at both the Hayes Creek and Allamber Projects. Exceptionally high grade mineralisation has been identified at Hayes Creek with drilling returning assays of up to 20.3% U₃O₈. In the Ngalia Basin Thundelarra has discovered a major uranium bearing paleochannel system demonstrating potential to host significant scale deposits and characteristics favourable for in-situ recovery (ISR).

In Western Australia Thundelarra controls 11 tenements in the Doolgunna region totalling 1,500 square kilometres, including ground immediately along strike from Sandfire Resources' DeGrussa deposit. Recent drilling by Thundelarra has intersected significant high grade copper-gold mineralisation. The Company also retains substantial base metals exploration tenure in the East Kimberly and a 40% interest in the Copernicus nickel sulphide mine.

Thundelarra is very well funded and is aggressively exploring its key projects with the aim of progressing its discoveries through to commercial production.

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Issued Shares: 154.8M

Market Cap: \$55M

Competent Person's Statement

The details contained in this report that pertain to ore and mineralisation are 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.