



THUNDELARRA

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The Manager
Companies Announcement Office
Australian Stock Exchange Limited
Level 4
20 Bridge Street
SYDNEY NSW 2000

Via Electronic Lodgement

Dear Sir/Madam

EAST KIMBERLEY PROJECT – EXPLORATION UPDATE

The East Kimberley nickel-copper exploration campaign is now well underway and proceeding as planned. The 2,000 line kilometre airborne HoistEM survey over the priority target areas of Panton, Frank Hill and Lamboo is due for completion this week with final processed results available within two (2) weeks. A recently completed Aboriginal heritage survey has cleared all these target areas for drilling.

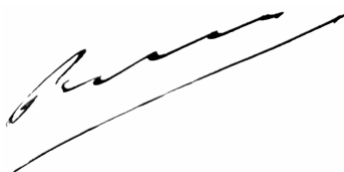
At the Copernicus Project, MLA80/540, Thundelarra commenced diamond drilling on the 17 April 2005 with the initial holes sited on the blind Salk North prospect. Four holes have now been completed with assay results expected next week. At Copernicus, diamond drilling will commence on the 7 June 2005, with the holes planned to test the following target areas (see attached Copernicus Long Section):

- The Link – this target lies within the 100 metre strike extent between the Copernicus Indicated Resource (359,000t @ 1.3% Ni, 0.7% Cu and 0.05%) and the Copernicus North mineralisation. Recent modelling of downhole electromagnetic surveys (“DHEM”) indicates strong offhole conductors remain untested by the drilling within this zone. Drilling north of the Link area has returned 3 metres @ 2.75% nickel (CORC035, 102950N section) and up to 6 metres @ 1.52% nickel to the south (CORC013, 102850N section). This target has the potential to contain significant additional mineralisation amenable to open-pit mining and importantly may connect the Copernicus and Copernicus North mineralisation.
- Copernicus North - holes within this 200 metre long zone are targeted at the strong offhole conductors defined by the 2004 DHEM survey. These conductors may represent areas of massive sulphide accumulations and possible higher nickel grades. Importantly the strongest offhole conductor lies adjacent to the deepest hole drilled.
- Copernicus Deeps - three holes are planned to test the down plunge extension of the Copernicus North mineralisation below 260 metres vertical depth. This target zone has the potential to host significant nickel-copper sulphide mineralisation.

To accelerate exploration, Thundelarra is mobilizing a second multi-purpose drilling rig to the East Kimberley to test all priority anomalies generated by the HoistEM survey and subsequent field assessment.

LionOre Australia Pty Ltd ("LionOre") have commenced focused exploration over the Keller Creek prospect where historical exploration identified an intrusion with an extensive surface gossan and up to 7.8 metre @ 1% nickel returned in drilling. Recent heritage clearances have been successful in gaining drill access over the prospect area. Electromagnetic surveys (fixed loop transient electromagnetic (TEM) surveys) are currently being conducted and an RC drilling programme is scheduled to commence within the next 7 days.

Yours sincerely
THUNDELARRA EXPLORATION LTD



Philip G Crabb
CHAIRMAN

For further information about Thundelarra Exploration Ltd.
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103400 mE

103000 mE

102600 mE

Copernicus Indicated Resource
359,000t @ 1.3%Ni, 0.7% Cu, 0.05% Co

Oxide

The Link

PROPOSED DRILLING AREA

Hangingwall

Copernicus North

Footwall

CORC040

2m @ 1.10%Ni, 0.98% Cu

CORC035

3m @ 2.75%Ni, 1.36% Cu

CORC051

14m @ 1.45%Ni, 1.16% Cu

CORC039

12m @ 1.63%Ni, 0.96% Cu

CORC043

intersected pyroxenite dyke

CORC052

7m @ 0.96%Ni, 0.62% Cu

Copernicus Deeps

TARGET ZONE

Copernicus Project

**Geological Long Section showing existing
Copernicus North Drill Holes
and Proposed Holes**

103250mN
Exploration Drill Traverse

103350mN
Exploration Drill Traverse

Ni-Cu sulphide mineralisation

Existing mineralised drill hole showing
DHEM direction to greater conductance

Existing barren drill hole showing DHEM
direction to off hole anomaly

Proposed down plunge exploration drill hole

100m

E80/2716 (Thundelarra - LionOre JV)

MLA80/540 (Thundelarra 100%)

300 mRL

200 mRL

100 mRL

0 mRL

-200 mRL