

THUNDELARRA EXPLORATION LIMITED

ABN 74 950 465 654

**FINANCIAL REPORT
FOR THE HALF YEAR ENDED**

31 MARCH 2005

THUNDELARRA EXPLORATION LIMITED
ABN 74 950 465 654

FINANCIAL REPORT

FOR THE HALF YEAR ENDED 31 MARCH 2005

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THUNDELARRA EXPLORATION LIMITED
ABN 74 950 465 654

CORPORATE DIRECTORY
FOR THE HALF YEAR ENDED 31 MARCH 2005

CORPORATE DIRECTORY

DIRECTORS

Philip G Crabb	(Chairman)
Frank DeMarte	(Executive Director)
Brian D Richardson	(Executive Director)
Rick W Crabb	(Non Executive Director)
Malcolm J Randall	(Non Executive Director)

COMPANY SECRETARY

Frank DeMarte

REGISTERED OFFICE

Level 3, IBM Building
1060 Hay Street
WEST PERTH WA 6005

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Email:	perth@thundelarra.com
Website:	www.thundelarra.com

SHARE REGISTRY

Computershare Investor Services Pty Ltd
Level 2, Reserve Bank Building
45 St Georges Terrace
PERTH WA 6000

AUDITORS

Stanton Partners
Level 1, 1 Havelock Street
WEST PERTH WA 6005

STOCK EXCHANGE LISTING

The Company's shares are listed and quoted on the Australian Stock Exchange Limited ("ASX").

Home Exchange: Perth, Western Australia
ASX Code: THX

THUNDELARRA EXPLORATION LIMITED
ABN 74 950 465 654

DIRECTORS' REPORT
FOR THE HALF YEAR ENDED 31 MARCH 2005

Your directors submit their report on the Company for the half year ended 31 March 2005.

DIRECTORS

The names of the directors of Thundelarra Exploration Limited ("Thundelarra") in office during the half year and to the date of this report are:

Philip G Crabb
Frank DeMarte
Brian Richardson
Rick W Crabb
Malcolm J Randall

RESULT

The loss for the half year ended 31 March 2005 was \$290,887 (2004: \$1,696,336).

REVIEW OF OPERATIONS AND RESULTS

Thundelarra is a mineral exploration company listed on the Australian Stock Exchange ("ASX").

EXPLORATION

EAST KIMBERLEY PROJECTS

Thundelarra Funded Exploration

Thundelarra has the largest tenement holding within the East Kimberley with over 3,900 square kilometers of prospective nickel, gold and diamond tenure.

At Lamboo, geological mapping and rock chip and soil sampling programs were undertaken in preparation for a drilling campaign planned for late June 2005. The Lamboo project is prospective for magmatic nickel-copper sulphide and platinum-palladium mineralisation associated with the extensive mafic-ultramafic Lamboo Intrusive Complex ("LIC") and epigenetic gold related to numerous quartz veins and major mineralised structures within the tenements. Historical exploration within the LIC during the 1980s returned encouraging gold intercepts including 5 metres @ 6.1 g/t gold from 21 metres in hole LDH4 and broad zones of platinum-palladium-gold mineralisation including 19 metres @ 0.93 g/t Pt+Pd+Au from 34 metres in hole LDH32. Thundelarra has now compiled all available historical information on the project and has commenced systematic field exploration over the 160 square kilometre project.

A total of 32 rock chip channel samples were collected from the previously identified Shifty's Reef. Eight samples assayed above 10 g/t gold with the highest of 140 g/t gold. Six angled percussion drill holes are planned to determine the potential of the granite hosted quartz veins to host a high grade near surface gold resource that could be treated at the nearby Nicholsons Find plant (owned by Terra Gold Ltd).

At total of 115 soil samples were collected from the Attwell prospect within the LIC. An open ended 400 metre long gold, platinum and palladium anomaly was defined by the 100ppb gold contour with maximum values of 692ppb gold, 477ppb platinum and 387ppb palladium. The drill holes LDH4 and LDH32 mentioned above occur within this prospect. An extensive soil sampling and detailed geological mapping program is currently underway on the highly prospective LIC. Drilling is expected to commence at the completion of the field program and the planned airmagnetic survey.

In February 2005 Thundelarra entered into a joint venture with Great Gold Mines NL ("GGM") on three granted exploration licences in the East Kimberley. Tenements E80/2559 and 2567 are adjacent to Thundelarra's Lamboo project while the third tenement, E80/2574, is contiguous with the central Panton

THUNDELARRA EXPLORATION LIMITED
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DIRECTORS' REPORT
FOR THE HALF YEAR ENDED 31 MARCH 2005

North project. Under the terms of the joint venture Thundelarra may earn 80% equity in the tenements by the expenditure of \$200,000 over three years and GGM will retain a 20% free carried interest to the completion of a Bankable Feasibility Study. At this stage the joint venture excludes nickel, cobalt and magnesium but includes all other commodities.

In May 2005, Thundelarra will conduct a number of airborne geophysical surveys over the East Kimberley project. A 2,000 line kilometre helicopter borne HoistEM survey is planned for early May to cover well defined nickel target areas within the Panton, Togo, Billymac and Frank Hill projects. Detailed airmagnetic surveys are also planned for the Chamberlain and Lamboo project areas. A recently completed photo study of the Chamberlain diamond project utilising all available hyperspectral information, air magnetic data and historical indicator mineral results identified a number of high priority photo features that will be assessed in the field at the completion of the airmagnetic survey.

It is hoped that this survey will identify a number of possible "blow-out" features along kimberlite dykes that are known to occur within the Chamberlain tenements.

Copernicus Joint Venture

On the 18 April 2005 Thundelarra advised to the Australian Stock Exchange that in respect to the Heads of Agreement for Copernicus – Salk Joint Venture dated 7 July 2003 ("Heads of Agreement") between Thundelarra and Sally Malay Exploration Pty Ltd ("SMY") on 15 April 2005 Thundelarra advised SMY that:

- (i) in the Board's view SMY has not delivered a Feasibility Study for the purposes of the Heads of Agreement;
- (ii) accordingly, SMY has not earned a 60% joint venture interest in the Copernicus project in accordance with the requirements of the Heads of Agreement; and
- (iii) the joint venture contemplated by the Heads of Agreement has not been formed.

Thundelarra commenced diamond drilling at the Copernicus project on the 17 April 2005 using a multi-purpose drill rig. The initial holes are targeting the strong off-hole electromagnetic anomalies detected in the Copernicus North prospect and the broad zones of nickel-copper sulphide mineralization intersected at the blind Salk North discovery. In due course three diamond holes will also be drilled into the Copernicus Deeps target once all existing data is assessed and a rig capable of drilling the 500-600 metre deep holes is contracted.

The Copernicus tenement has the potential to host a significant sulphide resource of the Voisey's Bay-Sally Malay style and Thundelarra will focus much of its exploration effort on this project over the coming months.

LionOre Joint Venture (Thundelarra 100%-LionOre earning 60%)

Under the terms of the East Kimberley joint venture with LionOre, LionOre is earning a 60% interest in approximately 1,500 square kilometres of Thundelarra's East Kimberley tenement holding by spending \$5 million over 5 years.

LionOre has recommissioned their Mabel Downs base camp and completed preliminary work programs for the highly rated Keller Creek, McKenzie Spring and Fletcher Creek prospects. Ground Disturbance Approvals were granted by the Department of Industry and Resources over six prospect areas and a number of Heritage Clearance surveys were successfully conducted. Drilling programs will be planned once all the planned ground electromagnetic surveys are completed.

THUNDELARRA EXPLORATION LIMITED
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DIRECTORS' REPORT
FOR THE HALF YEAR ENDED 31 MARCH 2005

CORPORATE

United Kimberley Diamonds NL

On 30 November 2004 Thundelarra sold its joint venture interest in the Phillips Range Diamond tenements to United Kimberley Diamonds NL ("UKD") for 20,000,000 UKD shares at an issue price of 12 cents per share and 5,000,000 options to acquire shares in the capital of UKD at an exercise price of 20 cents per share expiring on 31 July 2008.

UKD successfully raised \$10 million and listed on the Australian Stock Exchange Ltd on 7 December 2004. Thundelarra currently holds 23% of UKD issued capital.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 (Cth) is set out on page 16.

Signed in accordance with a resolution of the Board of Directors:



Philip G Crabb
Director

3 June 2005

THUNDELARRA EXPLORATION LIMITED
ABN 74 950 465 654

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE HALF YEAR ENDED 31 MARCH 2005

	Note	31 March 2005 \$	31 March 2004 \$
Revenue from ordinary activities	2	2,751,133	138,606
Expenses from ordinary activities			
Administrative costs		(3,812)	(4,200)
Depreciation		(51,230)	(20,937)
Office and miscellaneous		(181,619)	(147,063)
Professional fees		(39,622)	(107,628)
Regulatory and trust company fees		(16,694)	(57,505)
Shareholder and investor relations		(24,525)	(26,550)
Traveling expenses		(25,888)	(35,085)
Employee benefits expense		(253,205)	(316,408)
Cost of tenements sold		(2,414,228)	-
Exploration expenditure provided for		-	(1,045,332)
Exploration expenditure written off		-	(60,606)
Foreign exchange loss		-	(1,391)
Other expenses from ordinary activities		(31,197)	(12,237)
Loss from ordinary activities before income tax expense	2	(290,887)	(1,696,336)
Income tax expense		-	-
Loss from ordinary activities after income tax expense attributable to members of Thundelarra Exploration Limited		(290,887)	(1,696,336)
Total changes in equity other than those resulting from transactions with owners as owners		(290,887)	(1,696,336)
Loss per share (cents per share)		(0.39)	(2.52)

The Statement of Financial Performance should be read in conjunction with the accompanying notes.

THUNDELARRA EXPLORATION LIMITED
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STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2005

	Note	31 March 2005 \$	30 September 2004 \$
Current Assets			
Cash assets		3,568,652	5,056,269
Receivables	3	55,767	37,545
Other assets		1,738	3,622
Total Current Assets		3,626,157	5,097,436
Non-Current Assets			
Receivables	3	408,133	316,034
Other financial assets		3,017,586	238,231
Plant, equipment and vehicles		443,764	365,517
Exploration and evaluation expenditure		3,735,188	5,556,690
Total Non-Current Assets		7,604,671	6,476,472
TOTAL ASSETS		11,230,828	11,573,908
Current Liabilities			
Payables	4	41,619	94,610
Provisions		51,345	66,333
Total Current Liabilities		92,964	160,943
Non Current Liabilities			
Provisions		22,197	22,197
		22,197	22,197
TOTAL LIABILITIES		115,161	183,140
NET ASSETS		11,115,667	11,390,768
Equity			
Contributed equity	5	22,858,459	22,842,673
Accumulated losses		(11,742,792)	(11,451,905)
TOTAL EQUITY		11,115,667	11,390,768

The Statement of Financial Position should be read in conjunction with the accompanying notes.

THUNDELARRA EXPLORATION LIMITED
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STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 MARCH 2005

	31 March 2005	31 March 2004
	\$	\$
Cash flows from operating activities		
Other revenue received	20,433	39,799
Payments to suppliers and employees	(584,915)	(651,312)
Interest received	143,714	108,286
Net cash outflow from operating activities	(420,768)	(503,227)
Cash flows from investing activities		
Exploration and evaluation expenditure	(628,472)	(667,435)
Proceeds from sale of plant and equipment	-	8,000
Proceeds from insurance claim on a vehicle	22,182	-
Proceeds from sale of investments	1,931	-
Payments for plant and equipment	(149,061)	(57,241)
Payments for investments	(221,482)	(69,280)
Placement of security deposits	-	(26,000)
Net cash outflow from investing activities	(974,902)	(811,956)
Cash flows from financing activities		
Net proceeds from issue of shares	15,786	5,811,631
Net payments made in financing director related entities	(107,733)	(127,830)
Net cash (outflow)/inflow from financing activities	(91,947)	5,683,801
Net (decrease)/increase in cash held	(1,487,617)	4,368,618
Cash at the beginning of the reporting period	5,056,269	2,107,106
Cash at the end of the reporting period	3,568,652	6,475,724

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

THUNDELARRA EXPLORATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2005

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

This general purpose financial report for the interim half year reporting period ended 31 March 2005 has been prepared in accordance with Accounting Standard AASB 1029: Interim Financial Reporting, other professional reporting requirements (Urgent Issues Group Consensus Views), other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 September 2004 and any public announcements made by Thundelarra Exploration Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Where necessary comparatives have been reclassified and re-positioned for consistency with current period disclosures.

The accounting policies adopted are consistent with those of the previous financial report unless stated otherwise.

2 SIGNIFICANT ITEMS OF REVENUE AND EXPENSES

Loss from ordinary activities before income tax expense includes the following significant revenues and expenses:-

	Note	31 March 2005	31 March 2004
		\$	\$
Interest income		143,714	110,851
Proceeds from insurance claim on a vehicle		22,182	-
Exploration expenditure recovered		161,273	-
Consideration for tenements sold		2,400,000	-
Cost of tenements sold		(2,414,228)	-
Exploration expenditure written off		-	(60,606)
Provision for non-recoverable exploration		-	(1,045,332)
Plant, equipment and vehicles written off		(19,585)	-
Consideration for sale of investments		3,531	-
Cost of investments sold		(3,400)	-
Loss on sale of plant, equipment and vehicles		-	(4,237)
Compensation entitlement	2(a)	-	(85,230)

(a) On 16 January 2004, it was resolved that the Consultancy Agreement with Mr Jeremy Caddy (a former director) be terminated giving Mr Caddy a compensation entitlement amounting to \$85,230.

	31 March 2005	30 September 2004
	\$	\$
3. RECEIVABLES		
Current		
Other receivables	12,502	13,180
Amounts receivable from director related entities	43,265	24,365
	55,767	37,545
Non-current		
Security deposits/bonds	161,435	159,769
Amounts receivable from director related entities	246,698	156,265
	408,133	316,034

The amounts receivable from director related entities are unsecured, interest free and have no fixed terms of repayments.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2005

	31 March 2005	30 September 2004
	\$	\$
4. PAYABLES (CURRENT)		
Trade creditors and accruals	40,693	90,062
Amounts owing to directors and director related entities	926	4,548
	41,619	94,610

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

5 MOVEMENTS IN SHARE CAPITAL

During the half year the Company issued the following shares:

	Shares	\$
Balance as at 1 October 2004	73,878,726	22,842,673
• Option conversions	77,000	15,786
As at 31 March 2005	73,955,726	22,858,459

At 31 March 2005, the number of options outstanding were:

- 2,974,644 exercisable at 20.5 cents before 30 April 2005
- 1,771,000 exercisable at 47.5 cents before 28 February 2007
- 1,245,000 exercisable at 32.5 cents before 28 March 2008
- 11,000,000 exercisable at 65.5 cents before 20 November 2007
- 1,970,000 exercisable at 67.5 cents before 26 February 2009
- 375,000 exercisable at 47.5 cents before 20 April 2009.

6 DIVIDENDS

No dividends have been paid or provided for in the half year.

7 SEGMENT INFORMATION

The reporting entity operates within the exploration industry in Western Australia.

THUNDELARRA EXPLORATION LIMITED
ABN 74 950 465 654

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2005**

8 SUBSEQUENT EVENTS

Since the end of the half year, the following transactions and events in the opinion of directors, are likely to affect significantly the operations of the Company, the results of these operations or the state of affairs of the Company:

- (a) Since 31 March 2005, the Company issued a total of 2,517,700 shares to raise \$516,129 as a result of the exercise of share options at 20.5 cents;
- (b) On 16 May 2005, the Company issued 456,944 shares to BB Capital Pty Ltd to raise \$68,732 (net of the underwriting fee), at an issue price of 20.5 cents pursuant to any shortfall in the options expiring on 30 April 2005; and
- (c) On 24 May 2005, the Company issued 390,000 unquoted options to employees pursuant to the Company's Employee Share Option Plan adopted by the board on 1 March 2005. The options, each to acquire one ordinary share in the Company, have an exercise price of 22 cents and will expire on 31 May 2009.

Apart from the above, no matters or circumstances have arisen since the end of the half year which will significantly affect, or may significantly affect, the state of affairs or operations of the reporting entity subsequent to the half year ended 31 March 2005.

9 EARNINGS PER SHARE

Weighted average number of ordinary shares used in calculation of basic earnings per share is 73,888,572. Options to purchase ordinary shares not exercised at 31 March 2005 have not been included in the determination of basic earnings per share.

Diluted earnings per share does not represent an inferior view of the Company's performance and is not disclosed for this reason.

10 COMMITMENTS AND CONTINGENCIES

On 25 October 2004, the Company signed a Corporate Advisory Agreement with Cornerstone Advisors Pty Ltd ("Cornerstone"). The engagement period commenced from 1 November 2004 and ended on 30 April 2005. Under the agreement, the Company has committed to issue 300,000 options, exercisable at 50 cents each and expiring 31 August 2006 to Cornerstone or their nominee. This issue is yet to be finalised at the date of this report.

On 2 June 2005, it was noted that Sally Malay Mining Limited has filed Supreme Court proceedings against the Company seeking certain declarations, specific performance and damages in relation to the Copernicus-Salk Joint Venture. The Directors have stated that the Company will vigorously defend the claim made. In the opinion of the Directors, the likely exposure to the Company will be mostly legal expenses and it is still premature to quantify the financial effects at this stage.

Since the last annual reporting date, the Directors are of the opinion that there has been no material change in any contingent liabilities and commitments other than the above.

THUNDELARRA EXPLORATION LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2005**

11 INTERNATIONAL FINANCIAL REPORTING STANDARDS

International Financial Reporting Standards (IFRS) or the Australian equivalents are effective for financial years commencing 1 January 2005. This requires the production of accounting data for future comparative purposes for the first full financial year after implementation, being the year ended 30 September 2006. The Company's management, along with its auditors, continues to assess the significance of these changes and the preparation for their implementation. We will seek to keep stakeholders informed as to the impact of these new standards as they are finalised. The directors are of the opinion that the key differences in the Company's accounting policies which will arise from the adoption of IFRS are:

i) Impairment of Assets

The Company currently determines the recoverable amount of an asset on the basis of undiscounted net cash flows that will be received from the assets use and subsequent disposal. In terms of AASB 136: *Impairment of Assets*, the recoverable amount of an asset will be determined as the higher of fair value less costs to sell and value in use. It is likely that this change in accounting policy will lead to impairments being recognised more often than under the existing policy.

ii) Taxation

In accordance with Australian Accounting Standards AASB 112 "Income Taxes", a balance sheet approach will be adopted for calculating taxation, replacing the "statement of financial performance approach". This method recognises deferred tax balances for all temporary differences arising between the carrying value of an asset or liability and its tax base. Whilst there will be enhanced disclosure of the composition of the deferred tax assets and liabilities it is not expected that there will be any significant impact in terms of the statement of financial position and performance.

iii) Exploration and evaluation expenditure

The Company currently uses the "area of interest" principles which are used commonly in Australia and in accordance with Australian Accounting Standards AASB 1022 "Accounting for Extractive Industries". The AASB has recently released AASB 6 "Exploration for and Evaluation of Mineral Resources" which is not expected to cause significant changes to the Company's accounting for capitalised exploration and evaluation expenditure. AASB 6 continues to allow an area of interest approach to impairment and the standard effectively permits the grandfathering of existing accounting treatments of exploration and evaluation expenditure.

Under AASB 6, if facts and circumstances suggest that the carrying amount of any recognised exploration and evaluation assets may be impaired, the Company must perform impairment tests on those assets in accordance with AASB 136 "Impairment of Assets". Any impairment loss is recognised as an expense in accordance with AASB 136.

iv) Provision for Rehabilitation and Restoration

In accordance with Australian Standard AASB 137 "Provisions, Contingent Liabilities and Contingent Assets", the Company will be required to fully provide, based on discounted future cash flows, for rehabilitation and restoration where there is a legal or constructive obligation. A corresponding asset, net of depreciation to the date of transition will be recognised and be depreciated together with the development assets. The Company will be required to recognise the unwinding of the discount in relation to the provision applied directly as an interest expense.

v) Share based Payments

The Company currently does not recognise an expense for options issued to directors and employees. Under AASB 2 "Share Based Payments", the Company will be required to recognise an expense for all share based remuneration, including options, and will amortise those expenses over the relevant vesting periods.

THUNDELARRA EXPLORATION LIMITED
ABN 74 950 465 654

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 MARCH 2005

11 INTERNATIONAL FINANCIAL REPORTING STANDARDS (cont'd)

vi) *Financial Instruments*

Under AASB 139 "Financial Instruments: Recognition and Measurement" financial instruments will be required to be classified into five categories and to be measured based on the nature of the classification.

The five categories and basis of measurement are:

- Financial asset or financial liability measured at fair value through the statement of financial performance;
- Held to maturity investments measured at amortised cost, subject to impairment;
- Loans and receivables measured at amortised cost, subject to impairment;
- Available for sale assets measured at fair value with changes in fair value measured directly in equity; and
- Financial liability measured at amortised cost.

This will result in a change in the current accounting policy that does not classify financial instruments.

THUNDELARRA EXPLORATION LIMITED
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DIRECTORS' DECLARATION

The directors declare that the financial statements and notes set out on pages 5 to 12:

- (i) comply with Accounting Standard AASB 1029; Interim Financial Reporting, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (ii) give a true and fair view of the reporting entity's financial position as at 31 March 2005 and of its performance, as represented by the results of its operations and its cash flows for the half year ended on that date.

In the directors' opinion there are reasonable grounds to believe that Thundelarra Exploration Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

Dated at Perth this 3 June 2005.



Philip G Crabb
Director



STANTON PARTNERS

1 HAVELOCK STREET
WEST PERTH 6005
WESTERN AUSTRALIA

TELEPHONE: (08) 9481 3188

Facsimile: (08) 9321 1204

e-mail: australia@stanton.com.au

INDEPENDENT REVIEW REPORT TO THE MEMBERS OF THUNDELARRA EXPLORATION LIMITED

Scope

We have reviewed the financial report comprising of the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements and the directors' declaration of Thundelarra Exploration Limited (the "Company") for the half-year ended 31 March 2005. The directors of the Company are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the Company, and that complies with Accounting Standard AASB 1029 "Interim Financial Reporting" in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the report.

Review Approach

We have performed an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory financial reporting requirements in Australia and statutory requirements, so as to present a view which is consistent with our understanding of the disclosing entity's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the disclosing entity to lodge the financial report with the Australian Securities and Investments Commission.

Our review has been conducted in accordance with Australian Auditing and Assurance Standards applicable to review engagements. A review is limited primarily to inquiries of the disclosing entity's personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Independence

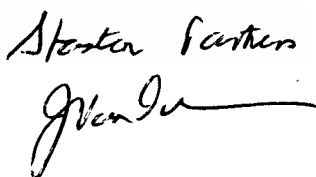
We are independent of the Company, and have met the independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001. We have given to the directors of the Company a written Auditor's Independence Declaration.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Thundelarra Exploration Limited is not in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company 's financial position as at 31 March 2005 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 1029 Interim Financial Reporting and the Corporations Regulations 2001; and
- (b) other mandatory financial reporting requirements in Australia.

STANTON PARTNERS



J P Van Dieren
Partner

West Perth, Western Australia
3 June 2005



STANTON PARTNERS

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3 June 2005

Board of Directors
Thundelarra Exploration Limited
Level 3, IBM Building
1060 Hay Street
WEST PERTH WA 6005

Dear Directors

RE: THUNDELARRA EXPLORATION LIMITED

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 Limited.

As Audit Partner for the review of the financial statements of Thundelarra Exploration Limited for the half year ended 31 March 2005, 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

STANTON PARTNERS

John Van Dieren
Partner