

RED BORE EXPLORATION UPDATE

Thundelarra is pleased to report that a four hole, 894 metre reverse circulation drill programme over the Red Bore induced polarisation (IP) chargeable anomalies, IP1 and IP2, has been completed.

IP1 and IP2 were first identified in early November (ASX 12 November 2010). An infill IP survey was subsequently initiated to improve definition of the anomalies prior to drilling. This second phase of IP confirmed intensely anomalous chargeability readings. The intensity of the anomalism suggests that the chargeable zones should be visually recognisable, however geological logging of the four drill holes did not identify anything that would explain the source of the anomalies and it is considered that the anomalies remain untested by drilling.

All four drill holes intersected a prospective sequence of Narracoota Formation rocks, comprising mafic volcanoclastic, dolerite and tuff. This stratigraphy is the same as that at the nearby Red Bore Prospect mineralisation and at the Sandfire Resources' DeGrussa deposit. The drilling also revealed evidence of faulting and multiple zones of alteration, indicating that the IP anomaly areas are structurally complicated.

Samples from the drilling have been submitted for assay, with results expected mid to late January. It is expected this drillhole geochemistry will help to further understand the geological setting of the IP anomalies. Further processing of the IP data, incorporating the new drill information, is planned prior to the implementation of a further program of drilling in the new year.

Thundelarra is earning a 60% interest in the Red Bore Mining Lease, M52/597.

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ABOUT THUNDELARRA

Thundelarra is a successful mineral explorer primarily focused on uranium in the Northern Territory and base metals in Western Australia.

The Company controls major landholdings in the Pine Creek and Ngalia Basin uranium provinces totalling almost 8,000 square kilometres and has made a number of significant uranium discoveries in both areas. Of particular note is the Thunderball Prospect where diamond drilling has intersected mineralisation assaying up to 20% U₃O₈. Thundelarra is aiming to calculate a maiden JORC compliant resource for Thunderball by the end of 2010.

In Western Australia Thundelarra controls 10 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 extremely well funded and is aggressively exploring its key projects with the aim of progressing its discoveries through to commercial production.

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The details contained in this report that pertain to ore and mineralisation are based upon information compiled by Mr Simon Attwell, a full-time employee of the Company. Mr Attwell 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 Attwell consents to the inclusion in this report of the matters based upon his information in the form and context in which it appears.