

NEW VMS BASE METAL DISCOVERY - PYRAMID PROJECT

Thundelarra is pleased to report that its first drilling program at the 100% owned Pyramid project has intersected base metal sulphide mineralisation displaying characteristics of a VMS deposit. A peak intercept of 0.81% copper, 5.28% zinc, 1.36% lead and 62g/t silver confirms the fertile nature of the system and its potential to host economic mineralisation.

A total of nine RC drill holes for 1,242 metres were completed in December, with eight located over a western target named the Lightning Prospect. No historical exploration has been carried out at the Lightning Prospect and bedrock is totally masked by recent cover.

Each drillhole intersected disseminated to massive sulphide, dominated by pyrrhotite and pyrite, commonly 3 to 10 metres thick and hosted in strongly altered sediments which are overlain by mafic volcanics. Assay results from the first six drillholes have been received with significant intercepts detailed below.

Pyramid Project Significant Drill Intercepts

Hole	Azi / dip	East	North	From/To	Interval	Grade			
						Copper	Zinc	Lead	Silver
TPYC001	360°-60°	552150	7684010	60-64m	4m	0.14%	1.66%	0.19%	9 g/t
TPYC002	360°-60°	552150	7683990	76-80m	4m	0.25%	2.95%	0.35%	19 g/t
TPYC003	360°-60°	552150	7683970	NSR					
TPYC004	360°-60°	552070	7684010	111-113m	2m	0.17%	2.46%	0.59%	26.2g/t
TPYC005	360°-60°	552070	7683970	128-130m	2m	0.44%	0.53%	0.01%	26.5g/t
and				131-134m	3m	0.59%	3.28%	0.68%	41.6g/t
including				131-132m	1m	0.81%	5.28%	1.36%	62g/t
TPYC006	360°-60°	552070	7683930	NSR					

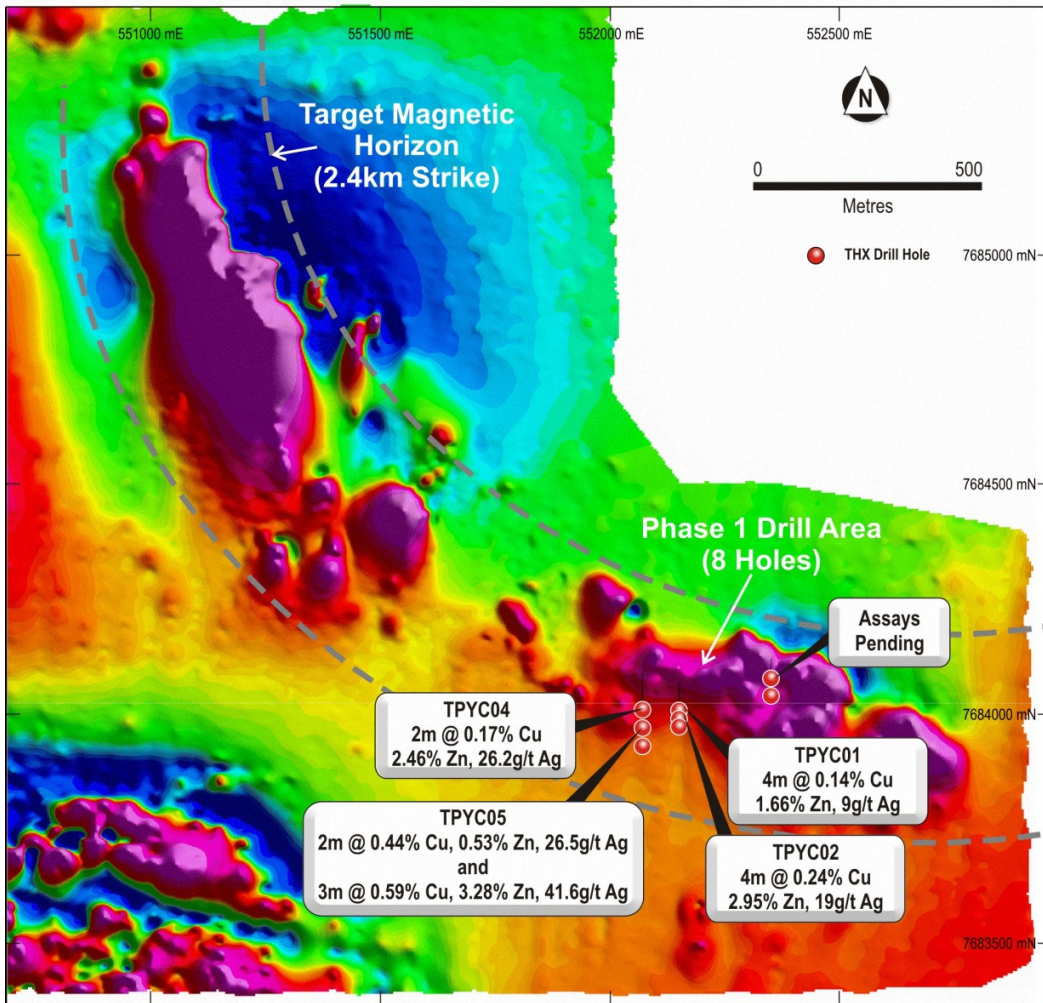
Note: Intercepts are calculated using a 0.5% lower Cu, Pb or Zn cut off.
Assay method was special mixed acid digest (SMAD) and ICP-OES/MS.
Co-ordinates are MGA Z50 GDA94. All intercepts are associated with fresh sulphide.

The geological setting, geochemistry and alteration identified in the drilling suggest the mineralisation is of a VMS origin and similar in nature to the Whim Creek, Salt Creek and Mons Cupri deposits located 40 kilometres to the east. The Whim Creek deposit was first mined in 1889 and Venturex Resources Limited are currently completing a bankable feasibility study on the recommencement of copper and zinc mining.

Thundelarra ground magnetics data outlines a very extensive magnetic anomaly at the Lightning Prospect which is indicated by the drilling to be due to magnetic pyrrhotite within the sulphide mineralisation. As such the magnetic anomaly outlines the area where sulphide mineralisation may be present.

As shown in the figure below, the magnetic anomaly extends for 2.4 kilometres and is untested by any past exploration with bedrock obscured by transported cover. The extensive anomaly provides scope for multiple lenses or shoots of economic mineralisation to be developed along its extent.

Lightning Prospect Magnetic Anomaly and Drill Hole Locations



Results of the eastern fence of drill holes at the Lightning Prospect as well as a single hole at the Coppermine Bore prospect, 3 kilometres to the east of Lightning, are awaited. The Lightning and Coppermine Bore prospects are situated on Exploration Licence E47/1305 located in the Pilbara region of Western Australia, approximately 70 kilometres east of Karratha.

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ABOUT THUNDELARRA

Thundelarra has extensive exploration tenure in the Northern Territory's Pine Creek and Ngalia Basin regions where the Company has made a number of significant uranium discoveries. 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 with characteristics favourable for in-situ recovery (ISR). The Company has also discovered significant copper mineralisation in the Pine Creek region and has a number highly prospective gold targets.

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 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: \$25M

Competent Person's Statement

The details contained in this report that pertain Exploration Results, Mineral Resources or Ore Reserves 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.