

**ASX
ANNOUNCEMENT**

10 January 2007

**Thundelarra Exploration
Ltd**

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THUNDELARRA
EXPLORATION

**URANIUM SPIN OFF NOT TO PROCEED – THUNDELARRA
TO RETAIN URANIUM STRATEGY**

Thundelarra Exploration Limited (“Thundelarra”) refers to its announcement of 4 December 2006 announcing the Company’s intention to spin off its uranium assets. As noted in the announcement, the proposal was subject to conditions and other details to be finalised.

The Thundelarra Board has reviewed the Company’s strategic plan, having regard to improving commodity and market conditions, particularly for nickel and uranium. The Board has also considered strategies to promote a growing market capitalization, share liquidity, to retain quality personnel, undertake suitable risk management. Against this background, the Board has decided to defer indefinitely the spin off proposal. The present intention is to continue to build a strong uranium asset base within the Company, to complement its nickel, PGE and base metals projects.

Thundelarra already has an interest in 30 uranium exploration tenements within Australia covering approximately 6,500 square kilometres. Of these 30 tenements, 24 are held 100% with the remainder subject to Joint Venture or Option agreements. Seventeen of the tenements occur within Western Australia, 9 within the Northern Territory, 3 within Queensland and 1 within South Australia. Thundelarra is currently negotiating to acquire an interest in 5 additional tenements in the Northern Territory and is assessing several overseas exploration opportunities.

Preliminary exploration activities involving the flying of airborne radiometric surveys, the logging and assaying of existing drill core and surface radiometric and rock sampling programs will be undertaken on 12 of the tenements during the March quarter 2007.

Subject to finalizing environmental and other regulatory approvals, Thundelarra expects development of the Copernicus nickel mine to commence in late 2007. This will generate cashflow for Thundelarra (which holds a 40% interest) which the Company intends to apply to exploration of its various exciting prospects, particularly in uranium. The Board considers that uranium as an energy commodity has outstanding long term potential and Thundelarra’s experienced management team, through disciplined and systematic exploration, will produce positive results for the benefit of shareholders.