

Acquiring and exploring
Australia's resources

2001

ANNUAL REPORT



THUNDELARRA
EXPLORATION

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FOCUSED ON MINERAL EXPLORATION IN WESTERN AUSTRALIA

Thundelarra has a quality portfolio of exciting diamond, Platinum Group Element, gold and base metal projects in the Kimberley and Southern Murchison regions of Western Australia. It has important joint ventures with BHP on the Phillips Range diamond project, Falconbridge (Australia) Pty Limited on the Moola Bulla and McIntosh nickel/copper projects and Perilya Limited on the Davyhurst gold project. In the East Kimberley it has a large tenement holding in what can be regarded as one of the most under explored and prospective provinces in Australia. This region contains over 180 known PGE, nickel or copper occurrences, including Platinum Australia Ltd's Panton Sill PGE mineral resource (in which the Company holds no interest) with a published estimated resource of 3.4 million ounces PGE+gold.

**The Phillips Range Diamond Project –
one kimberlite confirmed and two others
discovered through diamond drilling and
many new targets generated**

PRESIDENT'S REPORT TO SHAREHOLDERS

Dear Shareholder

The Company has been very active in exploration in Australia this past year and details of those activities are clearly explained elsewhere in this report.

Following a successful capital raising of 3.14 million Australian dollars by way of a prospectus which closed on the 8 March 2001 the Company joined the Official List of the Australian Stock Exchange Ltd ("ASX") on the 16 March 2001. From that time until now the Company has received solid support with the price ranging from A\$0.36 to A\$0.44.

The Company remains listed on the Canadian Venture Exchange ("CDNX") but has not enjoyed the same level of support as in Australia with most shares traded on the CDNX having being bought by Australian investors for transfer to the Australian Register.

The Directors are hopeful that with the announcement of further positive results this year that Canadians may view Australia more favourably and add Thundelarra Exploration Ltd stock to their portfolios.

Our geological team led by Mr Brian Richardson, Mr Dale Ferguson our Senior Geologist and their geologists and field crews along with BHP-Billiton geologists and geophysicists are to be commended for their high degree of professionalism throughout the past year.

Their efforts could only be described as highly productive. One kimberlite ("Persephone") confirmed and two others ("Athena and Helena") discovered through diamond drilling and many new targets generated for the coming field season. BHP-Billiton's Falcon technology has been an invaluable tool for the location of these new pipes which may well have remained undiscovered.

In the East Kimberley, a region regarded as one of the most prospective platinum group elements-nickel-copper ("PGE-Ni-Cu") provinces in Australia, Thundelarra has increased its tenement holdings to over 1600 square kilometres. Limited exploration during 2001 returned significant PGE-Ni-Cu

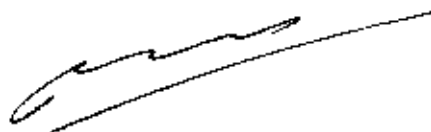
results at the Panton North, Big Ben and Eileen Bore Projects. Further work is planned next year. On the Moola Bulla and McIntosh Projects, Thundelarra has a A\$1.8 million joint venture with Falconbridge (Australia) Pty Ltd and Anglo American Exploration (Australia) Pty Ltd. These major companies have recently completed their first phase of exploration and results from this work will be available early in 2002.

In the Eastern Goldfields, the Davyhurst gold project was farmed out to Perilya Ltd under a A\$1.7 million deal while in the Southern Murchison, Thundelarra is continuing exploration and joint venture discussions on its various PGE and gold projects.

During 2001 we laid the foundations for what should be an active and exciting year in 2002. It is the realms of possibility that our joint venture partners will spend over \$2M on our various prospects this year as well as Thundelarra on its own account will be able to self fund other important projects such as Eileen Bore and the Rothsay Gold Project.

We remain focused and confident of further exploration success during 2002 and urge you to continue to follow the Company's affairs with some interest.

Yours faithfully
Thundelarra Exploration Ltd



PHILIP G CRABB
FAusIMM MAICD
President

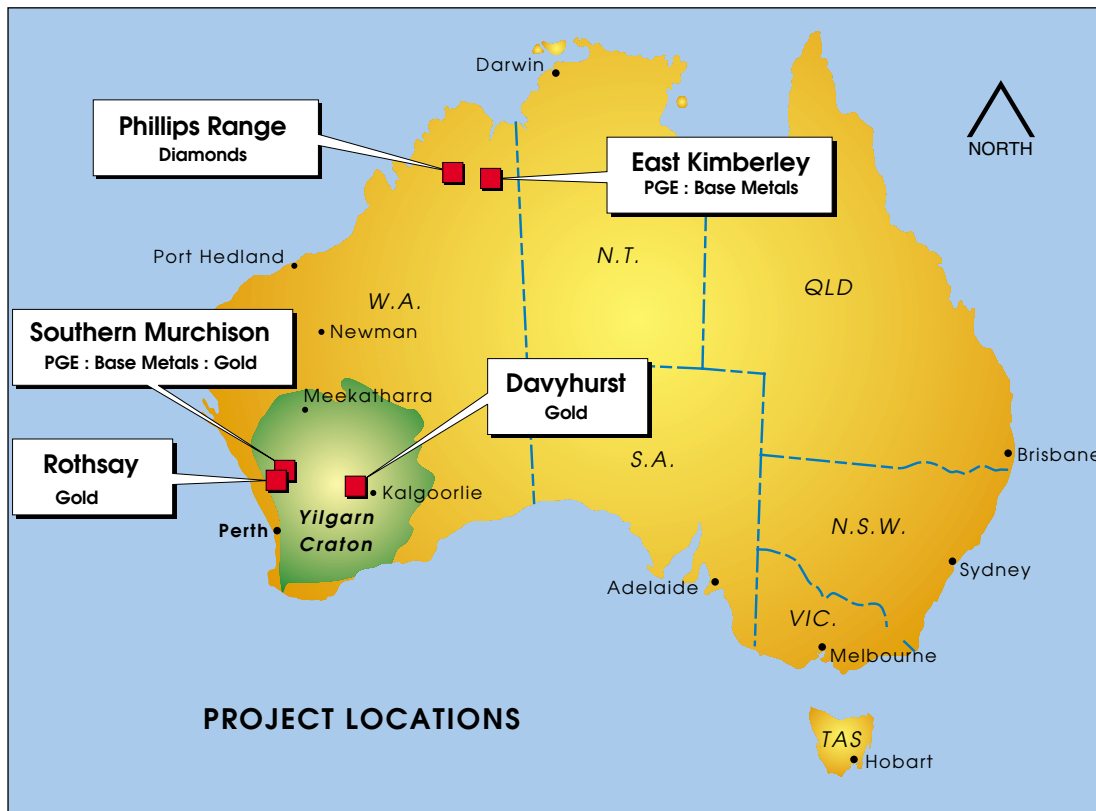
2001 has been an even busier year for Thundelarra Exploration Ltd ("Thundelarra" and "Company") than was last year. Shares of the Company were listed on the Australian Stock Exchange on 16 March 2001, and trading commenced on 22 March 2001. A total of Au.\$3,140,000 was raised, including Au.\$500,000 in over subscriptions, by the issue of 9,515,151 common shares at a price of Au.\$0.33. The Company's shares remain listed on the Canadian Venture Exchange.

Thundelarra has a quality portfolio of exciting diamond, Platinum Group Elements ("PGE"), gold and base metal projects in the Kimberley and Southern Murchison regions of Western Australia (see Project Locations map below). It has important joint ventures with BHP-Billiton on the Phillips Range diamond project and Falconbridge (Australia) Pty Limited ("Falconbridge") on the Moola Bulla nickel/copper

project. In the East Kimberley it has a large tenement holding in what can be regarded as one of the most under explored and prospective provinces in Australia. This region contains over 180 known PGE, nickel or copper occurrences, including Platinum Australia Ltd's Panton Sill PGE mineral resource (in which the Company holds no interest) with a published estimated resource of 3.4 million ounces PGE+gold.

In the Southern Murchison, Thundelarra finalised agreements to acquire 100% equity in the Fields Find and the Baron PGE projects. In the Directors' opinion, these projects contain two of the most exciting recent PGE discoveries in Western Australia. However, much work remains to be done to understand these valuable prospects properly.

The Phillips Range Diamond Project is located in the Kimberley Region of Western Australia approximately 2,000 km north of Perth. The project consists of 23 tenements



covering 925 square km and contains the Aries Kimberlite (see Phillips Range Regional Geology map below). The Aries Kimberlite, Australia's largest diamondiferous kimberlite, covers an area of 13 hectares and has an estimated volume of more than 18,000,000 cubic m of kimberlite to 320 m vertical depth.

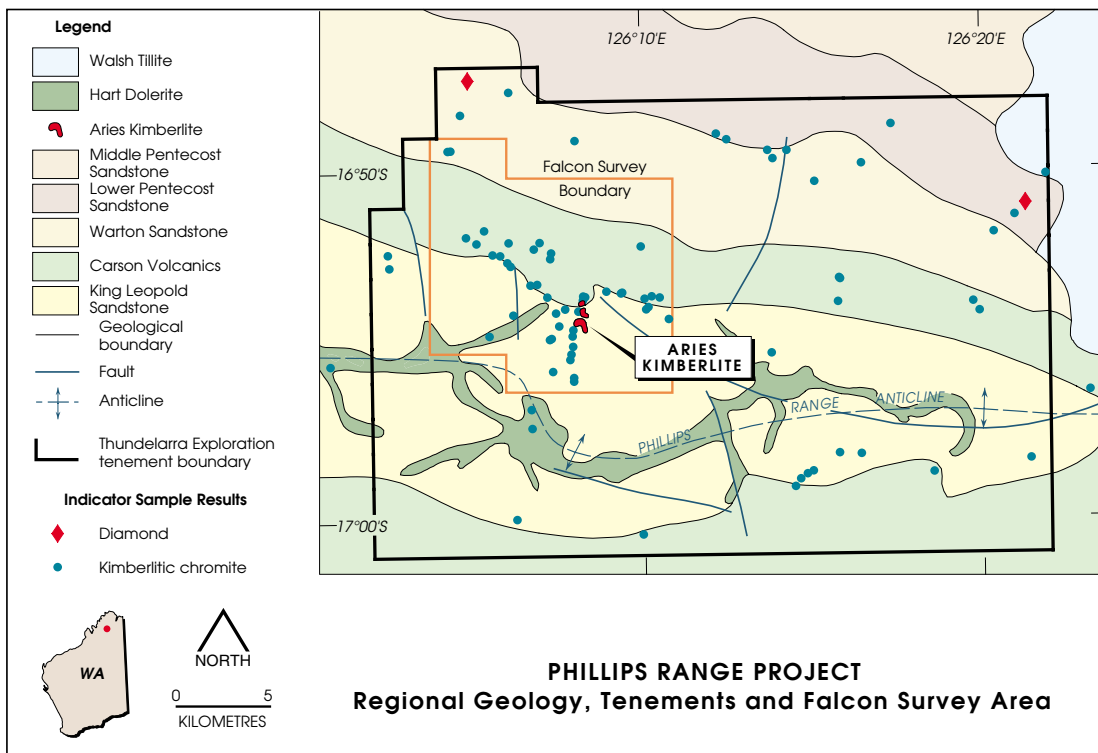
On 25 January 2001 Thundelarra signed a binding Letter of Intent with BHP Minerals Ltd (BHP) for a farm-in and joint venture on the Company's mineral tenements for diamonds at the Phillips Range in the Central Kimberley of Western Australia.

Field based activities commenced during May 2001 following the monsoon season. Exploration activities centred on approximately 90 anomalies generated following the processing of data from the Falcon™ airborne gravity system and a re-evaluation of past sampling results and airborne electromagnetic/magnetic surveys. Each anomaly was visited, geologically described and where appropriate,

sampled with either loam or gravel samples. Results are available for 18 samples from 10 anomalies. Kimberlitic chromite has been confirmed at 5 anomalies.

During the period ending 30 June 2001 the final processed results from the Falcon™ airborne gravity survey over the Aries pipe and surrounding tenement area were received. The airborne gravity survey demonstrates that the lobes of the Aries pipe and recently discovered diamondiferous Persephone (formerly named "A4") kimberlite to the south-east are associated with anomalous gravity responses.

A randomly selected sample of 50 chromite grains were polished and analysed from the 9,000 reported chromites in the discovery drill-hole on Persephone. The analysed population shows a higher proportion of grains with 'diamond prospective' compositions compared to the chromite populations from the lobes of the Aries pipe.



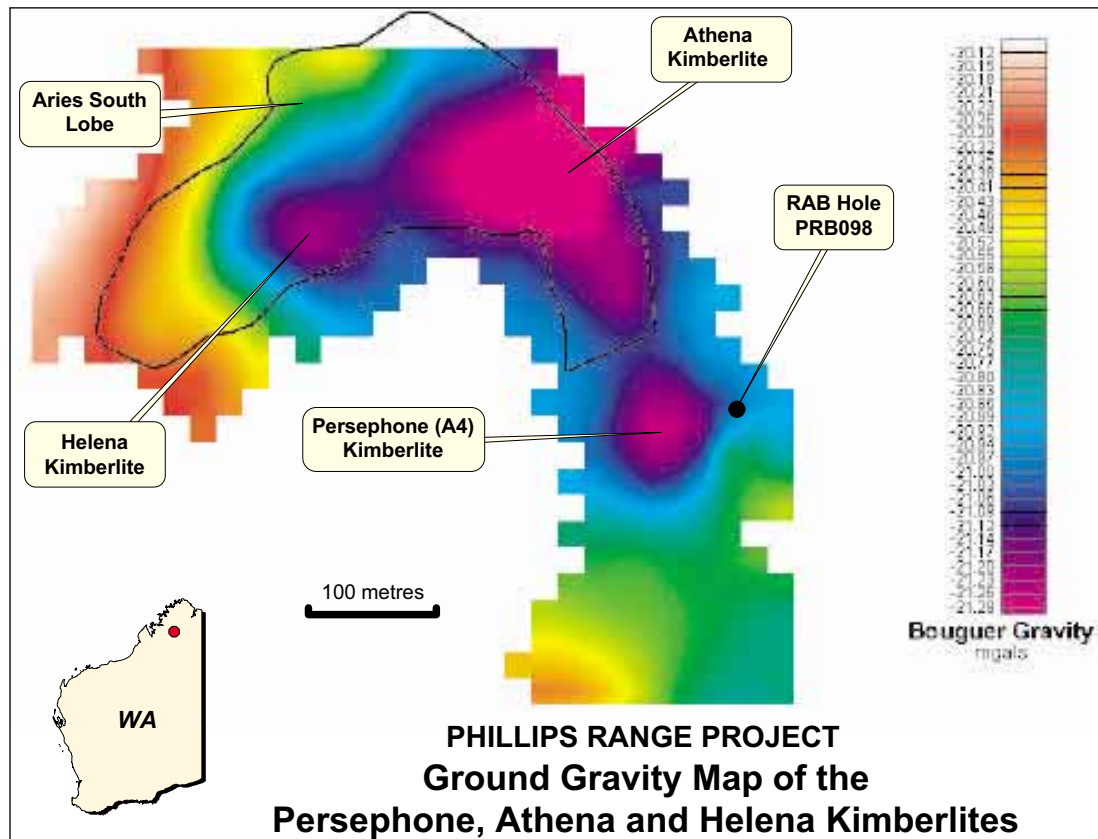
A detailed photo-geological study was completed over the area and previous airborne magnetic and electro-magnetic survey and indicator-mineral sampling results have been reviewed with additional anomalies being identified for follow-up.

As at 30 June September 2001, approximately 53 targets were identified for ground follow-up as soon as access to the project became available. It was planned to follow-up at least 20 of the airborne-geophysical targets with ground based geophysics and drill-test selected high priority targets and ground-based geophysics and diamond drilling were planned at Persephone.

Nineteen airborne gravity anomalies, located in soil covered areas but associated with the regional indicator-mineral spread, were marked out with a 50m interval grid and

covered with ground based gravity. Good correlation between the airborne and ground-based anomalies were produced. Results from the ground-based gravity now show that the discovery drill-hole at Persephone is located near the edge of a discrete circular anomaly 150m in diameter, 200m south east of Aries-south lobe. In addition, another circular gravity anomaly approximately 100m in diameter has been outlined to the south-west of the Aries south lobe.

Continued indicator work and geochemistry produced a number of promising results. A geochemical laterite sampling program established an anomalous target at an electromagnetic/photo-feature (Anomaly E) hosted by the King Leopold sandstone to the east of Aries. Laterites within the feature are enriched in Ba, Sr, La, Ce, P, Cu, Ni, Nb and Cr. At Anomaly 1 (a high priority airborne electromagnetic/





DIRECTOR'S REPORT TO SHAREHOLDERS (continued)

magnetic/gravity feature approximately 1km north-west of Aries), abundant chromites were reported from soil samples immediately down slope from the anomaly. Many of the grains have well preserved kimberlitic textures. At the Persephone kimberlite the compositional spread of the chromite populations indicates that Aries and Persephone are different kimberlites.

BHP-Billiton initiated an RC/diamond drilling program on 27 July 2001 and during the period under review drilled three discrete gravity anomalies defined by the detailed ground gravity survey conducted during the period ending 30 September 2001. These were two anomalies located at the southern margin of the Aries south lobe (Athena and Helena anomalies) and a third one over Persephone, 200 metres south east of Athena (see Ground Gravity map).

Six diamond drill holes totalling 631m were drilled into these three anomalies to test for kimberlite and to obtain sufficient material for heavy mineral analysis and micro diamond analysis. Visual inspection suggests that kimberlitic material including kimberlitic breccia, massive macrocrystic kimberlite and kimberlitic clay was intersected at Persephone and Athena while predominantly xenolith-dominated kimberlitic breccia was intersected at Helena.

Nine micro diamond samples collected from these holes were freighted to Lakefield laboratories in Vancouver Canada for analyses and nine heavy mineral samples will be freighted to Mineral Services Laboratory in Capetown, South Africa for indicator mineral analysis. Results will be announced as they become available.

Mineral Services, Capetown was contracted to undertake an assessment of the economic potential of the North and Central Lobes of the Aries Kimberlite. Representative drill core samples from the various phases in the North and Central lobes were selected by an agent from Mineral Services and will be freighted to Mineral Services' laboratory in Capetown, South Africa, for heavy mineral analysis and to Lakefield laboratories in Vancouver, Canada for micro diamond analysis. The sampling has been designed to test

the diamond potential of all the predominant phases based on indicator mineral chemistry and micro diamond characteristics. This, in conjunction with the petrographic evaluation, will allow for an assessment of economic potential of the north and central lobes of this kimberlite.

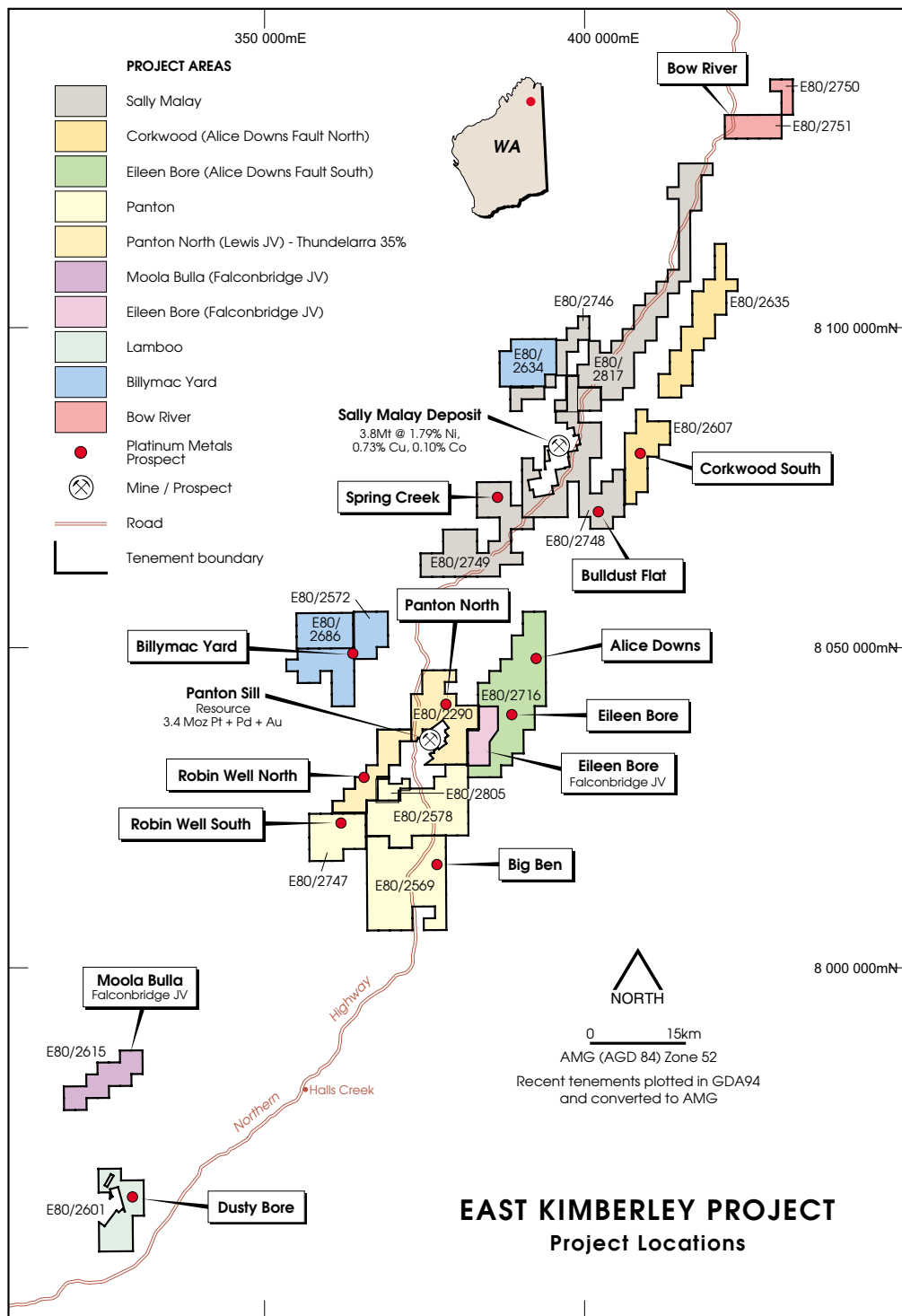
In addition to work on the established targets, on-going integration of available geological, geophysical and mineralogical results is continuing. This work will identify additional targets that require field follow-up.

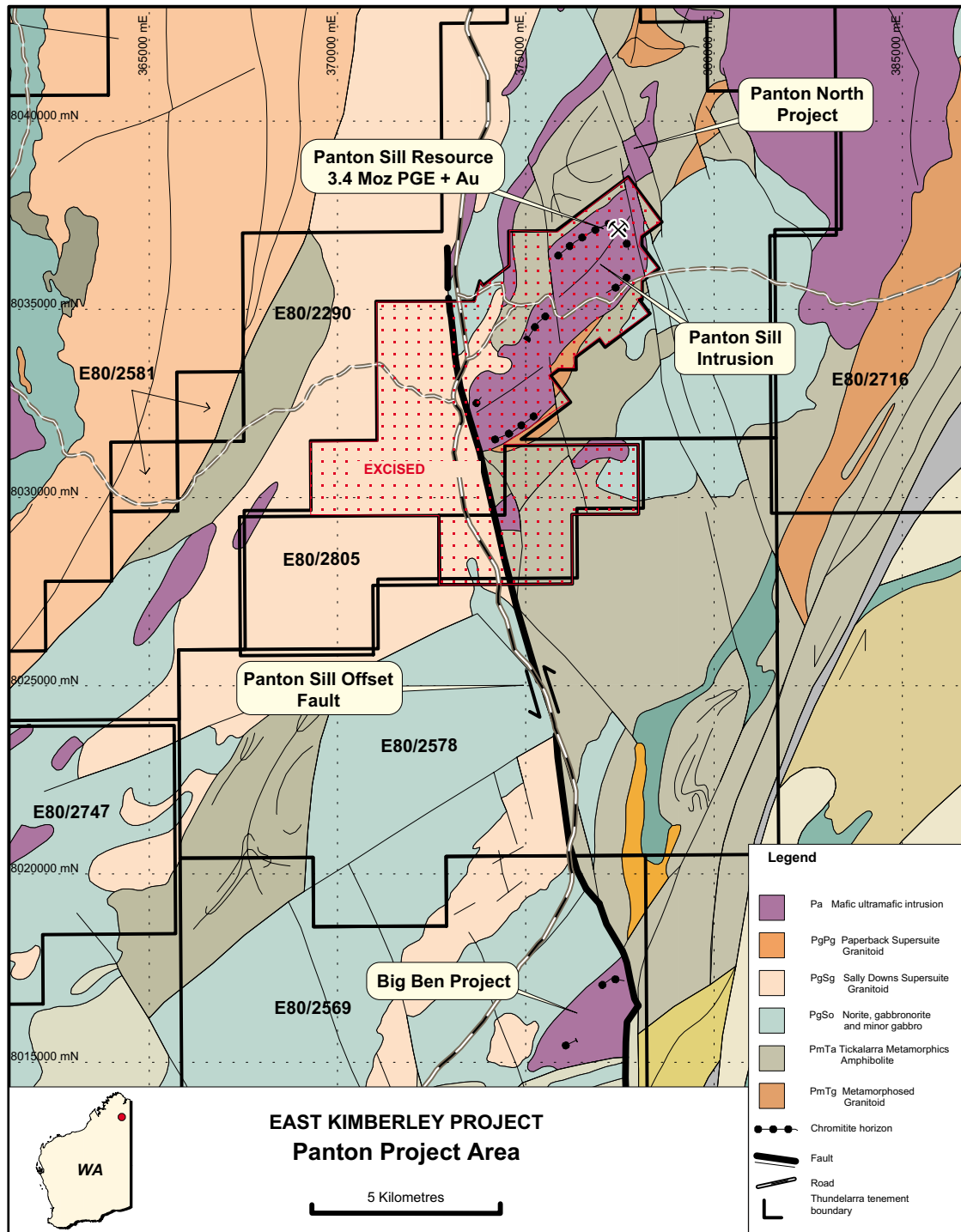
The Company executed an agreement on 5 December 2000 to acquire all of the equity of Magmatic Metals Ltd ("Magmatic") of Western Australia in exchange for the issuance of 2,000,000 common shares of the Company at a deemed price of \$0.25 per share. The assets of Magmatic consist of the following:

- a 100% right, title and interest in and to 7 platinum and palladium tenements called the Kimberley Project located on approximately 476 sq km in the East Kimberley region of Western Australia.
- an option to acquire from FutureXone Limited ("FutureXone") (formerly Resource Exploration Ltd.) a 100% right, title and interest in and to 17 platinum and palladium tenements known as the Murchison Project, located approximately 420km north-east of Perth in Southern Murchison province, Australia.

In addition to the Magmatic acquisition, the Company recently applied for two Exploration Licences 80/2569 and 2,578 covering 297 square km in the east Kimberley region of Western Australia known as the Alice Hill PGE and Diamond Project. These Exploration Licences include the Big Ben layered ultramafic-mafic intrusion. This intrusion is the faulted western extension of the Lower Proterozoic Pantone Sill, which hosts one of the largest PGE resources in Australia.

During the past year the Company has completed a productive field season in the East Kimberley. A total of 1,600 soil and rock samples were collected with encouraging







results. Several important joint ventures were signed and an agreement was reached with the Kimberley Land Council over most of the Company's tenements in the East Kimberley (see East Kimberley Project Locations map). The results of this initial phase of exploration are detailed below.

An agreement having been signed with the Kimberley Land Council and the relevant native title claimants covering the project area, field programs began in May and during the period ended 30 June 2001 Thundelarra prepared for its exploration campaign on the Panton, Billymac Yard and Eileen Bore projects.

The northern extension of the Panton Sill, this tenement known as the Panton North Project, where the Company is earning a 50% interest contains ultramafic rocks with known PGE mineralised chromitite horizons (rock sample I.29g/t PGE) and has the potential to host PGE mineralization associated with basal sulphide accumulation (see map of Panton Project Area).

An orientation soil sampling program returned encouraging results. A total of 174 soil samples were collected at 50m spacing on 3 lines approximately 400m apart. A MagLag and -2mm fraction sample was collected from each site and submitted for multi-element analysis. Rock samples were also collected from each site and these are currently being analysed. The soil anomaly defined by the 100 parts per billion (ppb) Pt + Pd contour outlines a zone over 800m in strike length and up to 350m wide. The maximum value from the MagLag sampling was 515 ppb Pt + Pd (715 ppb from -2mm) with most values above 200ppb within the anomalous zone. The anomaly remains open to the north and south. Significantly there is a strong co-incident gold, nickel and copper anomaly associated with the PGE's. The maximum gold value was 856 ppb while nickel and copper peaked at 0.37% and 0.24% respectively. At this stage the anomaly appears to be related to sulphides rather than chromitites and is interpreted as the extension of the Platinum Australia Ltd's ("PLA") recently discovered

Northern Anomaly. This zone, the 'Northern Anomaly', is a large continuous zone of low grade platinum-palladium-nickel-copper-cobalt mineralization with a strike length of 2,000m and a width of 200m within PLA's tenements.

The Company completed a soil sampling program covering approximately 2 kilometers strike of the lower ultramafic sequence of the Panton Sill up to 30 September 2001. The results of this sampling program defined a robust and extensive soil anomaly. A 500ppb (0.5g/t) platinum+ palladium+gold ("Pt+Pd+Au") contour outlined an area approximately 1,000m long by 300m wide with maximum values of 985ppb Pt+Pd+Au. The anomaly also has coincident copper and nickel anomalism with maximum values of 881ppm copper and 2,590ppm nickel.

PLA recently announced the results from a 19 hole reverse circulation drilling program over the Northern Anomaly. Better results include 128m @ 0.55g/t Pt+Pd+Au, 115m @ 0.55g/t Pt+Pd+Au and 136m @ 0.49g/t Pt+Pd+Au. Significantly, the broadest intercepts occur on the northern-most lines and within several hundred meters of Thundelarra's E80/2290 tenement boundary. PLA plans to carry out additional drilling and metallurgical testing to evaluate this new zone of mineralization.

Directors are very encouraged by this discovery of a new style of PGE mineralization in the East Kimberley and by the fact that the mineralized zone appears to strike into the Company's Panton North tenement. This discovery corroborates Thundelarra's exploration strategy for the East Kimberley. The majority of the tenements were acquired in this region because the Company was confident that the area had the potential to host large tonnage low grade PGE ore bodies not related to narrow chromitite seams.

Work will continue on the Panton North tenement involving the integration of all historical and current exploration results. This work will help define zones that are prospective for higher grade PGE mineralization within this extensive low grade halo.

The Eileen Bore project, in which the Company holds a 100% interest, covers the western margin of the McIntosh igneous complex and a series of small mafic-ultramafic intrusions to the east where past explorers discovered significant nickel, copper and PGE mineralization. Significant copper, nickel and PGE anomalism has been identified at the Eileen Bore and Alice Downs prospects where the best drill intercepts include 35m of 0.78% copper 0.36% nickel and 0.61g/t PGE and 16m of 1.4% nickel and 0.94% copper Little systematic PGE work has been done over the tenement. These smaller intrusions extend along the northeast striking Alice Downs fault system and appear to be related to it.

The Eileen Bore prospect is located in the south central portion of the project area. The project covers a poorly exposed metasedimentary and metamafic package of the Tickalara Metamorphics on the eastern margin of the Alice Downs fault. The Tickalara Metamorphics are intruded by sulphide bearing mafic and ultramafic rocks including pyroxenite and peridotite, and the mineralization is hosted within a 70 meter wide hornblendite unit.

Exploration in the 1970s and early 1980s defined extensive copper and nickel soil anomalies. Drilling over a 500 meter strike length of a 2 kilometer long soil anomaly intersected 54m @ 0.83% copper and 0.31% nickel within fresh rock. In 1986 a limited RAB drilling program discovered anomalous platinum and palladium mineralization associated with the copper and nickel mineralization. The best reported drill intercept was 35m @ 0.46ppm palladium. 0.15ppm platinum, 0.78% copper, 0.17% nickel and 0.17ppm gold (see Eileen Bore Prospect Drill Section).

The Alice Downs prospect is located 8 kilometers north east of the Eileen Bore prospect. The prospect covers Tickalara Metamorphics intruded by pyroxenite and peridotite enveloped by extensive metagabbro. The 3 main anomalies are termed Shiraz, Cabernet and Malbec and extend for over 2 kilometers in strike.

Mineralization consists of copper-nickel bearing sulphides within peridotites and pyroxenites and minor copper

mineralization within the gabbro. Best drill intercepts from the 1970s drilling include 16m @ 1.4% nickel and 0.94% copper. Little PGE assaying was done.

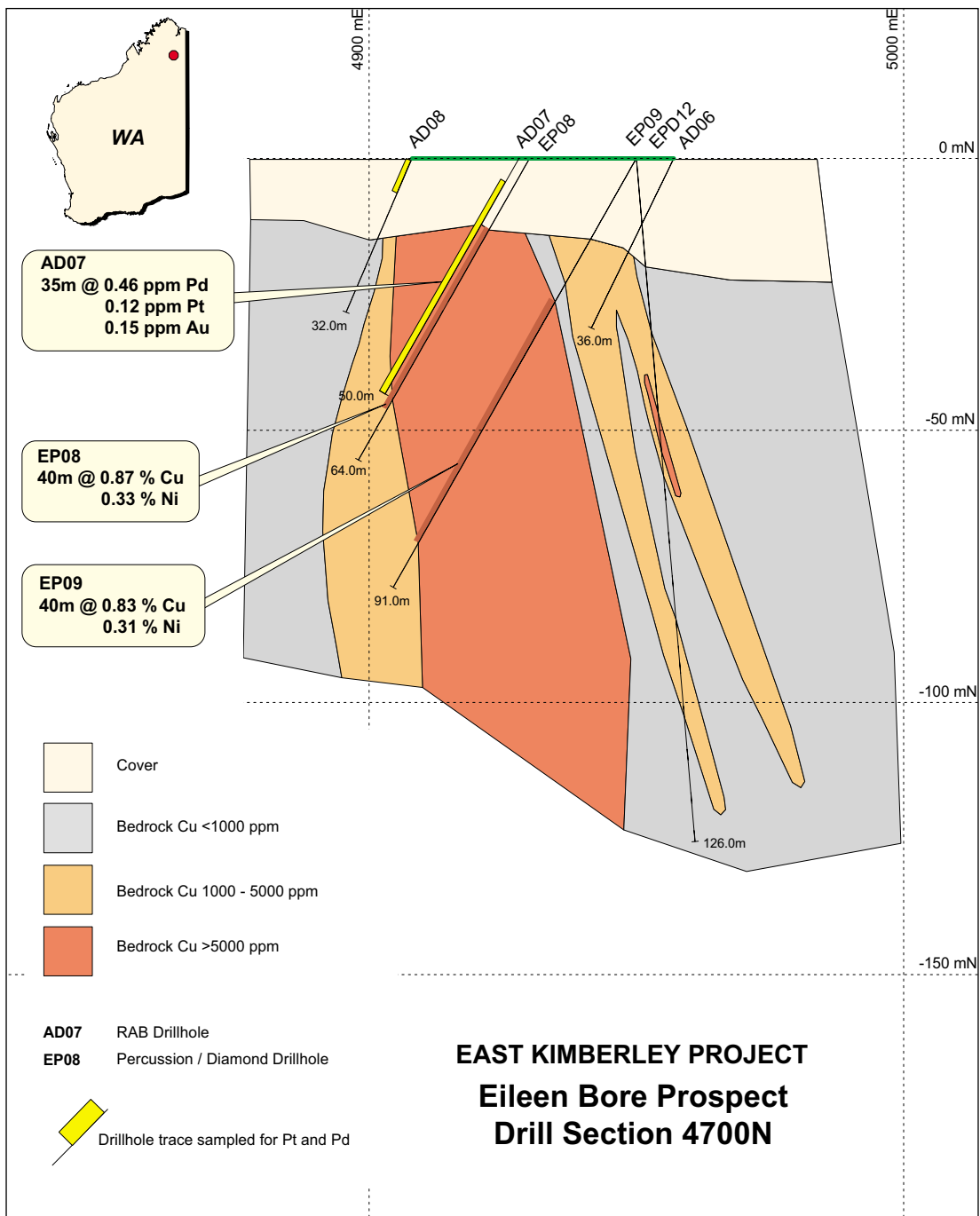
Thundelarra has just completed systematic soil sampling programs over both prospects and results will be available shortly. These prospects both have the potential to host large tonnage low grade PGE-base metal mineralization which may be suitable for open cast mining methods.

Falconbridge (Australia) Pty Limited, a subsidiary of one of the world's largest nickel producers, recently entered into a joint venture known as the McIntosh Joint Venture with Thundelarra to explore for nickel-copper over a portion of the Eileen Bore tenement. Under the terms of the joint venture Falconbridge may earn a 70% interest in the area by expending Aus.\$1 million over 4 years.

To maintain a working right and interest in the area, Falconbridge must spend no less than \$75,000 in the first year and \$125,000 in the second year.

The joint venture covers the southern portion of the McIntosh intrusion which has the potential to host nickel-copper mineralization of the Voisey Bay style. This area contains the interpreted 'feeder zone' for the large intrusion. Falconbridge is currently flying an airborne EM survey over the area including the southern part of the Eileen Bore prospect. Preliminary results are expected towards the end of January.

The Big Ben body, the faulted western extension of the Panton Sill which hosts PLA's 3.4 million ounce PGE+gold resource, contains a thick sequence of ultramafic cumulates and chromitite layers and comprises a lower ultramafic zone, approximately 1,500m thick of dunite, lherzolite and tremolite and an overlying mafic zone approximately 500m thick of mottled anorthosite, gabbro, gabbro-norite and norite (see map of Panton Project Area). Chromitite layers occur in both the lower and upper parts of the ultramafic zone. The highest assay from 18 rock samples collected during the period 1994-1995 was 1.61 g/t combined platinum and



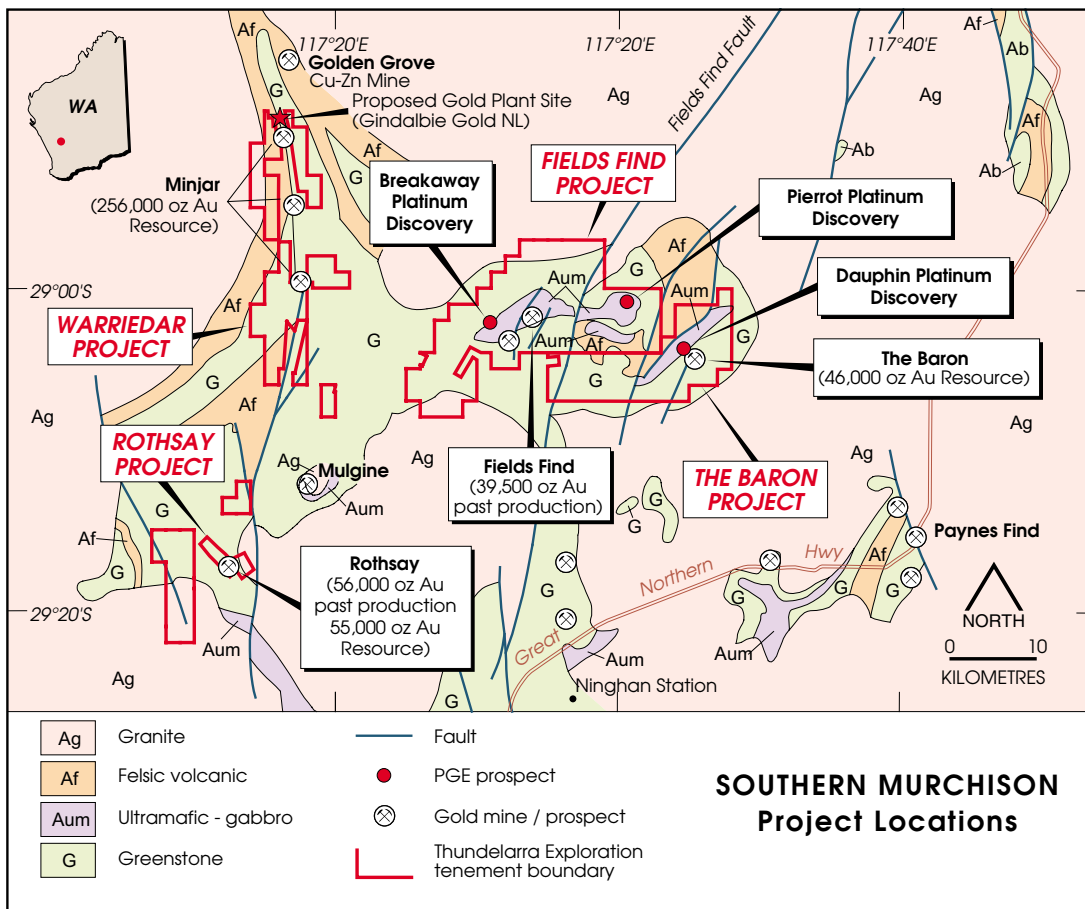
DIRECTOR'S REPORT TO SHAREHOLDERS (continued)

palladium with the palladium values generally higher than the platinum. Recent work by The Company has confirmed the anomalous nature of the chromitites and associated ultramafic rocks.

The Company completed a field reconnaissance survey of the Big Ben intrusion at the beginning of this year's field season which exposed chromitite seams up to 2m wide and of a similar character to the seams on the nearby Panton Sill. The detailed soil sampling program yielded a total of 632 soil samples (-2mm) on a 200m by 50m grid pattern and submitted for multi-element analysis. Results have defined a number of discrete zones of anomalism spanning the length of the intrusion. The best of these anomalies is located in the upper ultramafic sequence and spans in excess of 1.6km in

strike, 550m in width and peaks at 455ppb platinum and palladium. Significantly most of the anomalous PGE results also have anomalous chrome values suggesting that the anomalies are sourced from nearby PGE bearing chromitite horizons, the same rock which host the Panton Sill resource. An infill soil sampling program and systematic rock chip sampling of all chromitite horizons was recently completed and results are due shortly.

The Baron project is located 420km north-east of Perth and consists of 6 tenements covering 1,720 hectares containing the Baron Rothschild inferred gold resource of 352,900t grading 2.79g/t gold (see Southern Murchison Project Locations map below). The Company purchased an 80% equity in the project from FutureXone (formerly Resource Exploration Ltd.) in 1998.





The Company's recently completed acquisition of Magmatic has resulted in the residual 20% share (formerly owned by FutureXone) being acquired by the Company.

The local geology consists of a sequence of mafic, ultramafic and felsic rocks with interlayered banded iron formation units. Porphyritic granite intrudes the greenstone along the south-eastern boundary. Identified gold mineralisation is related to intense pyrite-pyrrhotite replacement of the banded iron. Exploration by Future and subsequently The Company discovered several zones of low grade gold mineralisation along strike from the Baron Rothschild resource.

In 1999 and following the discovery of PGE by FutureXone at the nearby Breakaway prospect, the Company intersected encouraging PGE values in a shallow RAB drilling program at the Dauphin prospect. A best intercept of 7m at 0.61g/t platinum and palladium combined from 30m was encountered in hole PYB009. Subsequent drilling defined PGE anomalism at the weathered bedrock interface over a 400m strike length and the mineralisation remains open. Anomalism is hosted within a coarse grained phase of an ultramafic package.

The exploration model used at the Dauphin is based on the Lac des Iles PGE deposit of Canada. This deposit, owned by North American Palladium (in which the Company holds no interest), has a published resource of 94.1 million tonnes at a grade of 1.66 grams per tonne palladium and 0.18 grams per tonne platinum. By the year 2002 the Lac des Iles open pit mine is expected to produce 250,000 oz of palladium annually. The mineralisation is hosted within breccia zones in gabbro and is an example of a hydrothermally re-mobilised ore body. The geological settings of the Dauphin and nearby Fields Find PGE projects have a number of similarities to the geology of this Canadian mine.

The Fields Find and Baron projects contain recent but poorly explored PGE discoveries first made in 1998. At Fields Find, rock-chip sampling of highly weathered ultramafic rocks on the northern margin of the Fields Find layered intrusion produced results up to 1.83g/t PGE at the Breakaway

prospect. Follow-up soil sampling defined an anomalous zone over 1.8km in strike with combined platinum and palladium values up to 456 ppb. Subsequent limited rotary air blast ("RAB") drilling returned a best result of 25m of 0.61g/t PGE and 1650 ppm copper. The strong coincidence of PGE, copper and gold suggests an ultimate sulphide source for these elements.

At the Baron project, some 18km to the east of Fields Find, limited RAB drilling in 1999 returned a best intercept of 6m of 0.70g/t PGE. Follow-up drilling on adjacent lines returned further encouraging results.

Thundelarra commenced field exploration of these projects with soil sampling and geological mapping programs completed and a 1,500m RC/diamond drilling program commenced and completed by 30 September 2001. Results are as follows.

At Fields Find the company completed a 1,129m reverse circulation and diamond drilling program to test the Breakaway PGE prospect. The reverse circulation drilling intersected broad zones of anomalous supergene PGE mineralization including 14m of 920 ppb Pt + Pd from 1m (FFRC001). The deeper diamond drilling however failed to locate any significant mineralization within the sulphide zone. At the Baron project, two reverse circulation holes were drilled for a total of 182m. Hole number BNRC003 intersected a broad zone of anomalous PGE mineralization from 32m to 60m (28m of 260ppb Pt + Pd) within a shear zone.

Further work at Fields Find is now required both along and across strike to locate a possible source of the supergene PGE mineralization and likewise, further work is required to determine the significance of the mineralization and a number of soil anomalies discovered elsewhere on the Baron project.

During the previous financial year the Company entered into an agreement with Central West Gold NL to earn up to 70% in the Rothsay gold mine for a total expenditure of Au.\$350,000 over a period of three years of which Au.\$50,000 has to be expended in the first year. The mine is

located in the Murchison gold field 310km north of Perth and its tenements cover 1,090 hectares (see Southern Murchison project Location map).

The Rothsay gold mine was discovered in 1894 and the recorded historical production is 56,000 ozs. The project contains an inferred gold resource of 240,000t grading 6.8g/t gold. The resource remains open at depth and along strike and good potential exists for further economic gold mineralization on the project tenements.

Recent rock-chip sampling south of the Tea Tree anomaly about 3km north of the main workings has defined an anomalous gossanous quartz vein which is in excess of 200m in length and up to 2m in width. Systematic rock-chip sampling along its entire length produced anomalous results with a best result of 17.25g/t gold and 10.7% copper from sample RTRK 030. The quartz vein appears to disappear under a thin veneer of cover to the south and is faulted to the north. Further detailed mapping and sampling will be conducted to extend this horizon and the abundance of quartz scree up slope suggests some other parallel layers may be present.

An RC/diamond drilling program commenced in May to test at depth the mineralised zone to the south of, and beneath, the existing workings at the Rothsay mine. A four holes' drilling program totalling 579.5m was conducted to test the southern extension of the main reef. Results are tabulated below:

The holes were sited on 2 lines approximately 220m and 275m south of the Rothsay open cut. Drilling by previous explorers had intersected significant grade mineralization over a strike length of approximately 200m south of the Rothsay mine. The recent results confirm the earlier work and indicate that the zone continues both along strike and at depth. Further work is now required to determine the resource potential of this southern extension.

Negotiations are continuing with parties interested in mining and processing the high grade underground resource.

During the period under review, the Company has concentrated all its exploration efforts in the East Kimberley which is subject to a relatively brief exploration season and no work was undertaken in the Southern Murchison. It is planned that exploration will recommence on these projects in the coming summer months.

The Davyhurst prospect comprises one application for an Exploration Licence, E16/175, which covers an area of approximately 23 sq km in the Coolgardie Mineral Field. The Company has commenced work during the period ended 30 September 2001 on the Davyhurst prospect, acquired as a result of the Magmatic acquisition, which is located 110km north west of Kalgoorlie and covers about 7km in strike of the prospective Zuleika Shear. This shear is closely associated with the Kundana Gold deposits to the south east and a number of prospects within Croesus Mining NL's ("Croesus") Davyhurst Project to the north (in which the Company holds

Results – Rothsay Drilling Program

Note: AMG datum AGD 84, Zone 50.

Hole No.	N	E	From (m)	To (m)	Width (m)	Grade Au g/t
RORC001	6759898	488268	94	95	1	2.70
RORC002	6759931	488225	86	91	5	9.20
RORC003	6759960	488276	169.0	170.52	1.52	3.18
RORC004	6759934	488308	165.17	165.80	0.63	20.83

no interest). Historically the Davyhurst area has produced deposits that have bonanza style grades. Croesus has reported intercepts of 5m at 43.17 g/t from 12m at its Salmon Gums Project which lies just to the north of ELA 16/175. A compilation by Thundelarra of past work showed that only broadly spaced soil sampling and reconnaissance RAB drilling had been completed over a largely alluvial covered tenement. The RAB drilling defined a shallow cover sequence with a broad interface gold anomaly peaking at 898ppb gold over a sheared and silicified mafic sequence. Recent successes by other explorers to the north and south of the project area along the Zuleika Shear indicate that the Company's Davyhurst prospect is worthy of being explored.

On September 6, 2001 Thundelarra announced that the Company had entered into a joint venture with Perilya Limited covering the Davyhurst tenement. Under the terms of the joint venture Perilya will have the right to sole fund Au.\$1.7 million expenditure over 4 years to earn a 65% interest in the tenement. Perilya will also commit to sole fund a minimum of Au.\$150,000 within 12 months of signing the formal joint venture document. A number of targets are already well defined on the project and Perilya plans to commence drill testing as soon as the tenement is granted.

On October 9, 2001 the Company reported the appointments of two directors, Rick Wayne Crabb and Brian Richardson, to fill the vacancies created by the resignations of Terrance Plummer and Steven Sobolewski in July and the appointment of a new director, Malcolm Roger Joseph Randall. We thank Messrs Plummer and Sobolewski for their dedication and welcome Messrs Crabb, Richardson and Randall who bring to the Board many years of Australian mining industry experience.

The coming year will be an exciting one for the Company, hopefully with the early confirmation of three new kimberlite discoveries arising out of the joint venture with BHP-Billiton and the continued exploration of the East Kimberley and Baron and Fields Find platinum and palladium projects.

On behalf of the Board of Directors, your directors would like to thank all of our shareholders for their patience and understanding during the year – regretfully, once again, a difficult year for most junior mining companies. Directors would also like to thank all of our officers and consultants for their tireless efforts on behalf of Thundelarra. Together we commit to achieving value for the shareholders of Thundelarra during the coming year which management believes will be of profound importance to the Company.

Dated this 4th day of January 2002

Vancouver, British Columbia



Jeremy Caddy
CEO and Director



British Columbia Securities Commission

**QUARTERLY AND YEAR END
REPORT
BC FORM 51-901F**

Freedom of Information and Protection of Privacy Act: The personal information requested on this form is collected under the authority of and used for the purpose of administering the *Securities Act*. Questions about the collection or use of this information can be directed to the Supervisor, Financial Reporting (604-899-6729), PO Box 10142, Pacific Centre, 701 West Georgia Street, Vancouver BC V7Y 1L2. Toll Free in British Columbia 1-800-373-6393

ISSUER DETAILS		FOR YEAR ENDED			DATE OF REPORT				
NAME OF ISSUER		01 09 30			Y M D				
THUNDELARRA EXPLORATION LTD.					01 12 19				
ISSUER ADDRESS									
1500 - 885 WEST GEORGIA STREET									
CITY		PROVINCE		POSTAL CODE		ISSUER FAX NO.		ISSUER TELEPHONE NO.	
VANCOUVER		BC		V6C 3E8		604-682-6718		604-682-6722	
CONTACT PERSON				CONTACT POSITION				CONTACT TELEPHONE NO.	
JEREMY CADDY				CHIEF EXECUTIVE OFFICER				604-682-6718	
CONTACT EMAIL ADDRESS				WEB SITE ADDRESS					
jcc4tlx@intergate.bc.ca				www.thunderlarra.com					

CERTIFICATE

The three schedules required to complete this Report are attached and the disclosure contained therein has been approved by the Board of Directors. A copy of this Report will be provided to any shareholder who requests it.

DIRECTOR'S SIGNATURE		PRINT FULL NAME		DATE SIGNED		
"Philip Crabb"		PHILIP CRABB		Y M D		
				01 12 20		
DIRECTOR'S SIGNATURE		PRINT FULL NAME		DATE SIGNED		
"Frank DeMarte"		FRANK DEMARTE		Y M D		
				01 12 20		

SCHEDULE A: FINANCIAL INFORMATION

See attached audited financial statements for
the year ended September 30, 2001



**THUNDELARRA EXPLORATION LTD
CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2001**

DESAI AND ASSOCIATES**Chartered Accountants**

Incorporated Professionals

Suite 201-5990 Fraser Street, Vancouver, B.C., V5W 2Z7 Tel: (604) 321-9992 Fax: (604) 321-9998

We have audited the consolidated balance sheet of Thundelarra Exploration Ltd. as at September 30, 2001 & 2000 and the consolidated statement of operations and deficit, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. These standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2001 & 2000 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

As required by the Company Act of British Columbia, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

DESAI AND ASSOCIATES
Chartered Accountants

M.R. Desai, C.A.

Vancouver, British Columbia
December 12, 2001



CONSOLIDATED BALANCE SHEETS

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(All figures reported in Canadian \$)

	2001	2000
ASSETS		
Current assets		
Cash and term deposits	\$1,374,339	\$496,804
Accounts receivable	13,015	41,470
Prepaid expenses and deposits	2,800	2,800
	<hr/> 1,390,154	<hr/> 541,074
Mineral property costs – Note 4	5,959,130	4,593,225
Capital assets – Note 3	125,237	12,375
	<hr/> <hr/> \$7,474,521	<hr/> <hr/> \$5,146,674
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$49,281	\$285,563
SHAREHOLDERS' EQUITY		
Capital stock – Note 6	12,944,064	9,785,857
Contributed Surplus	3,967	3,967
Deficit	(5,522,791)	(4,928,713)
	<hr/> 7,425,240	<hr/> 4,861,111
	<hr/> <hr/> \$7,474,521	<hr/> <hr/> \$5,146,674

Approved by the Board:

Philip Crabb
Director

Frank DeMarte
Director

See accompanying notes to Consolidated Financial Statements

Year ended September 30, 2001 and 2000

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CONSOLIDATED STATEMENT OF OPERATIONS AND DEFICIT

(All figures reported in Canadian \$)

	2001	2000
General and administrative expenses:		
Administration costs	\$66,965	–
Amortization	21,352	1,325
Bank charges	4,498	1,196
Office and miscellaneous	133,766	47,364
Professional fees	200,890	134,368
Property investigation and due diligence	–	4,546
Regulatory and trust company fees	61,081	22,645
Shareholder and investor relations	23,037	32,468
Travel	41,223	33,406
Salaries	81,531	–
	<u>634,343</u>	<u>277,318</u>
Loss before other items	634,343	277,318
Interest and other income	(196,685)	(3,846)
Write-off of mineral property costs	156,420	129,612
	<u>594,078</u>	<u>403,084</u>
Loss for the year	594,078	403,084
Deficit – beginning of year	4,928,713	4,525,629
Deficit – end of year	<u>\$5,522,791</u>	<u>\$4,928,713</u>

See accompanying notes to Consolidated Financial Statements


CONSOLIDATED STATEMENT OF CASH FLOWS

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(All figures reported in Canadian \$)

	2001	2000
NET CASH PROVIDED BY (USED IN):		
Operating activities	\$(624,133)	\$(79,097)
Investing activities	(1,656,539)	(1,134,625)
Financing activities	3,158,207	1,641,125
	<u>877,535</u>	<u>427,403</u>
CASH AND EQUIVALENTS – beginning of year	496,804	69,401
CASH AND EQUIVALENTS – end of year	<u>1,374,339</u>	<u>496,804</u>
OPERATING ACTIVITIES:		
Loss for the year	(594,078)	(403,084)
Add (deduct) items not affecting cash:		
Amortization	21,352	1,325
Write-off mineral property costs	156,420	129,612
Cash provided by continuing operating activities before financing working capital	<u>(416,306)</u>	<u>(272,147)</u>
Cash provided by (used in) financing working capital	(207,827)	193,050
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>(624,133)</u>	<u>(79,097)</u>
INVESTING ACTIVITIES:		
Mineral property costs	(1,522,325)	(2,277,760)
Share capital issued for mineral properties	–	1,155,000
Purchase of capital assets	(134,214)	(11,865)
NET CASH USED IN INVESTING ACTIVITIES	<u>(1,656,539)</u>	<u>(1,134,625)</u>
FINANCING ACTIVITIES:		
Share capital issued for cash	2,805,466	1,700,100
Share capital issued for subsidiary	500,000	–
Share capital issue costs	(147,259)	(58,975)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	<u>\$3,158,207</u>	<u>\$1,641,125</u>

Supplementary information – Note 9

See accompanying notes to Consolidated Financial Statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All figures reported in Canadian \$)

1. Nature of operations and continuing operations:

Thundelarra Exploration Ltd ("the Company") is engaged in the acquisition, exploration and development of precious gem and metal properties. These financial statements are prepared on a going concern basis which assumes that the Company will be able to realize assets and discharge liabilities in the normal course of the business. As at September 30, 2001, the Company had working capital of \$1,340,873 (2000 – \$255,511) and an accumulated deficit of \$5,522,791 (2000 – \$4,928,713). The Company's ability to continue as a going concern depends on its ability to successfully raise additional financing. If the Company is unable to obtain additional financing the Company may be forced to realize its assets at amounts significantly lower than the current carrying value.

2. Significant accounting policies:

Principles of consolidation

These consolidated statements includes the accounts of the Company and its wholly owned subsidiary Magmatic Metals Ltd. (Incorporation, Australia).

Loss per share

Basic and fully diluted losses per share have not been calculated as they are not meaningful at this stage of the Company's development.

Mineral Properties

The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable.

Mineral acquisition, exploration and development costs are capitalized on an individual prospect basis until such times as an economic ore body is defined or the prospect is abandoned. Costs for a producing prospect are amortized on a unit-of-production method based on the estimated useful life of the ore reserves, while those costs for abandoned prospects are written-off.

The recoverability of amounts capitalized for the undeveloped mineral properties is dependent upon the determination of economically recoverable ore reserves, confirmation of the Company's interest in the underlying mineral claims, the ability to obtain the necessary financing to complete their development, and future profitable production or proceeds from the disposition thereof.

3. Capital assets:

Assets	Cost	Acc. Amort.	2001	2000
Furniture & equipment	\$40,608	\$8,522	\$32,086	\$12,375
Plant & equipment	11,790	2,289	9,501	–
Automotive equipment	95,976	12,326	83,650	–
	\$148,374	\$23,137	\$125,237	\$12,375

4. Mineral Properties:

	2001	2000
Ant Claims, Yukon Territory	\$8,199	8,199
Baron Prospect, Australia	1,090,484	761,306
Leopold Downs Project, Australia	–	134,090
Alice Hill PGM & Diamond Project	377,405	16,509
Phillips Range Diamond Project, Australia	3,814,039	3,668,632
Rothsay Project, Australia	175,227	4,489
East Kimberley Project	481,851	–
Davyhurst Project	11,925	–
	\$5,959,130	\$4,593,225



**NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS (continued)**

4. Mineral Properties: (continued)**Magmatic Metals Ltd.**

By acquiring 100% shares of Magmatic Metals Ltd. ("MML") for 2,000,000 common shares of the company at a deemed price of \$0.25 per share, the Company acquired certain mineral properties in Baron Prospect, Alice Hill, East Kimberley, and Davyhurst Project in Australia.

Ant Claims, Yukon Territory

The Company holds a 3% net smelter interest in 27 complete and 7 fractional mining claims located in the Mount Freegold area of the Big Creek District, Yukon Territory.

Baron Prospect, Australia

By an agreement with Resource Exploration NL of Perth, Western Australia ("ResX"), dated 30 of September 1998, the Company acquired up to an eighty percent (80%) interest in and to certain mining and prospecting leases and licenses on lands located in the Province of Murchison in Western Australia (the "Baron Prospect"). Consideration for this interest was the issuance to ResX a total of 3,000,000 common shares of the Company at a deemed price of \$0.20 per share.

On 8 June 2001, the Company acquired the remaining 20% interest in the Baron Prospect as part of its acquisition of Magmatic Metals Ltd. ("MML")

Leopold Downs Diamond Joint Venture, Western Australia

The Company entered into the Leopold Downs Joint Venture Agreement (the "JV Agreement") with ResX, dated 22 of November, 1999, to acquire a 90% interest in certain Exploration Licenses and to form the Leopold Downs Diamond Joint Venture with ResX. Under the terms of the JV Agreement, the Company is reimbursing ResX for costs incurred in applying for the licenses and, if the licenses are granted, the Company is to pay ResX a further Aus.\$25,000. Any license application costs paid by the Company are to be refunded if the licenses are not granted.

In addition, the Company is to pay ResX Aus.\$2,500,000 within 30 days after the joint venture decides to commence mining operations, and thereafter, its pro-rata share of all future joint venture costs.

The Company withdrew from the Leopold Downs Joint Venture in October 2000 to concentrate its exploration efforts on the Company's other Kimberley Projects and all costs have been written-off.

Alice Hill PGM & Diamond Project, Western Australia

The project comprises two exploration licenses covering 297 square kilometers in the East Kimberly Region of Western Australia.

Phillips Range Diamond Project, Western Australia

The Company entered into an agreement with Ragged Range Mining Pty Ltd, of Perth Australia ("RRM"), dated 30 September, 1998, to acquire, in part, a forty four percent (44%) interest in and to a joint venture created for the purposes of exploring and, if warranted, developing and mining certain tenements (mining, exploration and prospecting leases and licenses) on lands located in the Kimberley Region of Western Australia. Consideration for this interest was Aus.\$30,000 and the issuance to RRM of a total of 7,000,000 common shares of the Company at a deemed price of \$0.20 per share. No finders fees are payable with respect to this transactions.

On 21 March, 2000, the Company entered into an agreement with RRM to acquire an additional 51% interest in the Phillips Range Diamond Project, which upon CDNX approval on August 1, 2000, brings the Company's interest in the project to 95%. Consideration for the additional 51% interest in the Phillips Range Diamond Project consists of payment to RRM of \$400,000 and issuance to RRM of 3,300,000 common shares at a deemed price of \$0.35 per share in the Company's capital stock.

The Company signed a binding letter of intent with BHP Minerals Ltd. for a farm-in and joint venture on the Company's mineral tenements for diamonds at the Phillips Range in Western Australia. BHP must complete a program of exploration in the year 2001 for the lesser of Aus\$660,000 or the minimum expenditure required by statutory mining law for the year 2001. BHP can then earn 40% in the joint venture by completing a pre-feasibility study within four years from the date of this agreement. BHP can earn a 60% equity in the joint venture by completing a full feasibility study within three years from the completion of the pre-feasibility. This transaction is subject to approval from regulatory authorities having jurisdiction over the Company's affairs.

Rothsay Project, Western Australia

The Company entered into a joint venture agreement with Central West Gold NL, in which it has the right to acquire 70% of the Rothsay Project located in Murchison gold field of Western Australia for total expenditure of Aus.\$350,000 over a period of three years of which Aus.\$50,000 has to be expended in the first year.

East Kimberley Project, Western Australia

On 8 June, 2001, the Company, with its acquisition of Magmatic Metals Ltd. (MML), received options to several platinum and palladium tenements (the "Kimberley Project") in the East Kimberley region of Western Australia. The Company also received options on several platinum and palladium tenements (the "Murchison Project"), located 420 km north-east of Perth in Southern Murchison province of Australia and a further 20% interest in the Baron Prospect.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. Mineral Properties: (continued)

Davyhurst Project, Western Australia

The Davyhurst prospect comprises one application for an exploration license (E16/175), which covers an area of approximately 23 square kilometres in the Coolgardie Mineral Field in Western Australia, acquired on 8 June, 2001 as a result of the MML acquisition, which is located 110km north west of Kalgoorlie and covers about 7km in strike of the Zuleika Shear.

On September 6, 2001 Thundelarra announced that the Company had entered into a joint venture with Perilya Limited ("Perilya") covering the Davyhurst tenement. Under the terms of the joint venture Perilya will have the right to sole funds Aus.\$1.7 million expenditure over 4 years to earn a 65% interest in the tenement. Perilya will also commit to sole fund a minimum of Aus.\$150,000 within 12 months of signing the formal joint venture document.

5. Related party transactions:

The Company had the following transactions with related parties.

Legal fees	\$32,693	(2000 – \$71,212)	To a director
Consulting fees	36,795	(2000 – 36,000)	To a director and officer
Salary	33,659	(2000 – nil)	To a director
Office administration	66,965	(2000 – nil)	To a company with a common director

6. Share Capital:

Authorized:

- 100,000,000 Common shares with no par value
- 100,000,000 Class A preferred shares of \$1 par value each
- 100,000,000 Class A preferred shares of \$5 par value each

Issued and outstanding:

Common shares	2001		2000	
	Number	Amount	Number	Amount
Balance at beginning of year	27,935,388	\$9,785,857	17,415,388	\$6,989,732
Issued by exercise of options	930,000	184,400	570,000	102,600
Issued on exercise of warrants	–	–	650,000	97,500
Issued for mineral properties	–	–	3,300,000	1,155,000
Issued for acquisition of Subsidiary	2,000,000	500,000	–	–
Issued for cash	9,515,151	2,621,066	6,000,000	1,500,000
	40,380,539	13,091,323	27,935,388	9,844,832
Less: Share issue costs	–	147,259	–	(58,975)
Balance, end of year	40,380,539	\$12,944,064	27,935,388	\$9,785,857

Escrow shares

375,000 shares are held in escrow to be released only with the content of the governing regulatory bodies.

2,000,000 shares issued for the acquisition of subsidiary (Magmatic Metals Ltd) are held in escrow to be released on 13 June 2002.

Stock capital and share purchase warrants

The Company has issued the following stock options and share purchase warrants.

No. of shares	Price per share	Expiry date
440,000	\$0.20	Nov. 2, 2001 *
450,000	0.30	Mar. 31, 2002
3,000,000	0.33	Aug. 9, 2002
300,000	0.33	Aug. 9, 2002
400,000	0.23	July 12, 2002

* These options were exercised subsequent to the year end.

**NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS (continued)**

7. Accumulated losses:

The Company has accumulated losses for income tax purposes of \$1,852,949 which may be carried forward and used to reduce taxable income in future years. Under present tax legislation these losses will expire as follows:

2002	\$108,982
2003	200,222
2004	126,993
2005	144,073
2006	275,517
2007	403,084
2008	594,078
	\$1,852,949

8. Segmented information:

As mentioned in Note 4, the Company is involved in several exploration projects in Australia. As a result, the Company's primary operating location has moved from Canada to Australia. Details of assets, liabilities and operating results by geographical segments are as follows:

	Australia	Canada	Total
Mineral property costs	5,950,931	8,199	5,959,130
Total assets	7,386,541	87,980	7,474,521
Accounts payable	39,151	10,130	49,281
Loss for the period	440,887	153,191	594,078

9. Supplementary cash flow information:

The change in non-cash operating working capital balances consists of the following:

	2001	2000
Accounts receivable	\$28,455	\$(40,564)
Pre-paid expenses & deposit	-	(2,406)
Accounts payable	(236,282)	236,020
	(207,827)	193,050
Other supplemental information		
	2001	2000
Interest paid	-	-
Taxes paid	-	-

SCHEDULE B: SUPPLEMENTARY INFORMATION

year ended September 30, 2001



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THUNDELARRA EXPLORATION LTD 2001 ANNUAL REPORT

1. Analysis of deferred costs during the period ended September 30, 2001:

	Engineering and General
Current costs	
South Murchison Projects, Australia ⁽¹⁾	\$ 499,916
Davyhurst Projects, Australia	11,925
Phillips Range Diamond Project, Australia	145,407
East Kimberley Projects, Australia ⁽²⁾	842,747
Total current costs	<u>1,499,995</u>
Total costs, beginning of period	4,593,225
Mineral property costs written-off	<u>(134,090)</u>
Total costs, end of period	<u><u>\$ 5,959,130</u></u>

(1) Gold Projects – Includes the Baron, E-Jeelong, Fields Find, Rothsay and Warriedar projects.

(2) Platinum / Palladium Projects – Includes the Panton North, Big Ben, Billymac Yard, Alice Hill, Robin Well, Lamboo, Corkwood South, Moola Bulla, Nine Mile, Corkwood North, Willagee, Robin Well South, Turkey Creek, Sally Downs Well, Dave Hill, Bow River East, Nortons, Magotty Springs, Eileen Bore and Panton South projects

2. Related Party Transactions: See Schedule A – Note 5

3. Summary of securities issued and options granted during the quarter ended September 30, 2001:

- a) Securities Issued: None
- b) Stock options granted: None

4. As at September 30, 2001:

- a) Authorized capital: 300,000,000 shares divided into:
 - i) 100,000,000 common shares without par value
 - ii) 100,000,000 Class "A" preference shares with a par value of \$1.00 each;
 - iii) 100,000,000 Class "B" preference shares with a par value of \$5.00 each;
- b) Issued and outstanding: 40,380,539 common shares without par value
Share capital: \$12,944,064
- c) Summary of outstanding options, warrants and other:
 - 440,000 stock options exercisable at \$0.20 until November 2, 2001
 - 450,000 stock options exercisable at \$0.30 until March 21, 2002
 - 400,000 stock options exercisable at \$0.23 until July 12, 2002
 - 3,000,000 warrants exercisable at \$0.33 until August 9, 2002
 - 300,000 warrants exercisable at \$0.33 until August 9, 2002

- d) Shares held in escrow: 2,375,000
Shares pooled: None

5. Directors and officers:
- | | | | |
|----------------|-----------------------|-------------------|-------------|
| Philip Crabb | – Director, President | Brian Richardson | – Director |
| Jeremy Caddy | – Director, CEO | Rick Wayne Crabb | – Director |
| Frank DeMarte | – Director, CFO | Malcolm Randall | – Director |
| Ross Glanville | – Director | Steven Sobolewski | – Secretary |



1. General Introduction

Thundelarra is primarily focused on mineral exploration in Western Australia. Shares of the Company were listed on the Australian Stock Exchange ("ASX") on 16 March 2001, and trading commenced on 22 March 2001. A total of Au.\$3,140,000 was raised, including Au.\$500,000 in over subscriptions, by the issue of 9,515,151 common shares at a price of Au.\$0.33. The Company's shares remain listed on the Canadian Venture Exchange.

Thundelarra has a quality portfolio of exciting diamond, Platinum Group Metals ("PGM"), gold and base metal projects in the Kimberley and Southern Murchison regions of Western Australia. It has important joint ventures with BHP on the Phillips Range diamond project and Falconbridge (Australia) Pty Limited on the Moola Bulla nickel/copper project. In the East Kimberley it has a large tenement holding in what can be regarded as one of the most under explored and prospective provinces in Australia. This region contains over 180 known PGM, nickel or copper occurrences, including Platinum Australia Ltd's Panton Sill PGM mineral resource (in which the Company holds no interest) with a published estimated resource of 2 million tonnes grading 6 grams/tonne PGM.

In the Southern Murchison, Thundelarra finalised agreements to acquire 100% equity in the Fields Find and the Baron PGM projects. In the Directors' opinion, these projects contain two of the most exciting recent PGM discoveries in Western Australia. However, much work remains to be done to understand these valuable prospects properly.

Management of the Company believes that the Company possesses prospects for becoming a profitable enterprise, with the resultant return to the Company's investors.

2. Description of Business

The Company is engaged in the acquisition and exploration of resource properties.

3. Discussion of Operations and Financial Condition

Resource Properties Material to the Company

The Company's assets are discussed in the following paragraphs in some detail and the material terms of any acquisition or disposition made during the period under review and subsequently are fully disclosed:

Phillips Range Diamond Project

Kimberley Region, Western Australia

(Thundelarra 95%, Ragged Range Mining Pty Ltd 5%)
(BHP earning 60%)

The Phillips Range Diamond Project is located in the Kimberley Region of Western Australia approximately 2000 km north of Perth. The project consists of 11 tenements covering 160 square km and contains the Aries Kimberlite. The Aries Kimberlite, Australia's largest diamondiferous kimberlite, covers an area of 13 hectares and has an estimated volume of more than 18,000,000 cubic m of kimberlite to 320 m vertical depth.

On 25 January 2001 Thundelarra signed a binding Letter of Intent with BHP Minerals Ltd (BHP) for a farm-in and joint venture on the Company's mineral tenements for diamonds at the Phillips Range in the Central Kimberley of Western Australia.

The terms and conditions are as follows:

1. BHP will complete a minimum program of exploration in the calendar year 2001 comprising Falcon™ surveying, ground geological and geophysical verification of anomalies, drilling of a number of the best targets and mineral chemistry. The minimum expenditure by BHP shall be the lesser of Au.\$660,000 and the minimum expenditure required by statutory mining law for the year 2001 (no exemptions may be sought).
2. No interest or equity in the joint venture will be earned by BHP after the completion of this work, but BHP will retain the right to continue to earn its interest in the joint venture.

QUARTERLY REPORT
- FORM 51 (continued)

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS (continued)

3. Discussion of Operations and Financial Condition (continued)

3. At its election, BHP may earn 40% in the joint venture by completing a pre-feasibility study within 4 years from the date of this agreement.
4. BHP can then elect to proceed and continue to sole fund the Project to earn a 60% equity in the joint venture by completing a full feasibility study within three years from the completion of pre-feasibility.
5. At the completion of a full feasibility study by BHP, all further expenditure on the Project will be 60% BHP, 35% Thundelarra and 5% Ragged Range. If either party declines to fund their portion of the expenditure then the declining parties interest would dilute using the industry standard dilution formula, based on previous expenditures on the Project to 10% after which the diluted interest would convert to a 2% gross production royalty.
6. BHP will be the Project manager whilst it is sole funding or whilst it holds more than 50% equity in the Project.
7. BHP is appointed marketing agent for the parties in respect of all diamonds obtained from the Project. Thundelarra at its own cost may appoint an independent valuer once per year to audit and assess the diamonds and the marketing.
8. Within the four year period referred to in paragraph 2, BHP agrees to engage Mineral Services to evaluate the economic potential of the Aries pipe utilising the existing core.
9. During the period that BHP is the sole contributor, BHP shall have the majority vote in any joint venture decisions. After BHP has earned a 60% interest the joint venture committee decisions will be by simple majority vote. If the joint venture committee makes a decision to mine then Thundelarra has six months from the time of such decision, to arrange finance for its share of development costs. If development work is undertaken (at BHP's election) BHP will carry Thundelarra for any development costs during that six-month period, such costs to be repaid by Thundelarra (with interest at the prime rate plus 2%) within thirty days of the end of the six-month period.
10. All of the above is subject to the approval from the regulatory authorities having jurisdiction over Thundelarra's affairs.

Field based activities commenced during May 2001 following the monsoon season. Exploration activities centred on approximately 90 anomalies generated following the processing of data from the Falcon™ airborne gravity system and a re-evaluation of past sampling results and airborne electromagnetic/magnetic surveys. Each anomaly was visited, geologically described and where appropriate, sampled with either loam or gravel samples. Results are available for 18 samples from 10 anomalies. Kimberlitic chromite has been confirmed at 5 anomalies.

During the period ending 30 September 2001:

- The final processed results from the Falcon™ airborne gravity survey over the Aries pipe and surrounding tenement area were received. The airborne gravity survey demonstrates that the lobes of the Aries pipe and recently discovered diamondiferous Persephone (formerly named "A4") kimberlite to the south-east are associated with anomalous gravity responses;
- A randomly selected sample of 50 chromite grains were polished and analysed from the 9,000 reported chromites in the discovery drill hole on Persephone. The analysed population shows a higher proportion of grains with "diamond prospective" compositions compared to the chromite populations from the lobes of the Aries pipe;
- A detailed photo-geological study was completed over the area;
- Previous airborne magnetic and electro-magnetic survey and indicator-mineral sampling results have been reviewed with additional anomalies being identified for follow-up.
- As at 30 September 2001, approximately 53 targets were identified for ground follow-up as soon as access to the project became available. It was planned to follow-up at least 20 of the airborne-geophysical targets with ground based geophysics and drill-test selected high priority targets; and
- Ground-based geophysics and diamond drilling were planned at Persephone.

Nineteen airborne gravity anomalies, located in soil covered areas but associated with the regional indicator-mineral spread, were marked out with a 50m interval grid and covered with ground based gravity. Good correlation between the airborne and ground-based anomalies were produced. Results from the ground-based gravity now show that the discovery drill-hole at Persephone is located near the edge of a discrete circular anomaly 150m in diameter, 200m south east of Aries-south lobe. In addition, another circular gravity anomaly approximately 100m in diameter has been outlined to the south-west of the Aries south lobe.

Continued indicator work and geochemistry produced a number of promising results. A geochemical laterite sampling program established an anomalous target at an electromagnetic/photo-feature (Anomaly E) hosted by the King Leopold sandstone to the east of Aries. Laterites within the feature are enriched in Ba, Sr, La, Ce, P, Cu, Ni, Nb and Cr. At Anomaly 1 (a high priority airborne electromagnetic/ magnetic/gravity feature approximately 1km north-west of Aries), abundant chromites were reported from soil samples immediately down slope from the anomaly. Many of the grains have well preserved kimberlitic textures. At the Persephone kimberlite the compositional spread of the chromite populations indicates that Aries and Persephone are different kimberlites.

BHP-Billiton initiated an RC/diamond drilling program on 27 July 2001 and during the period under review drilled three discrete gravity anomalies defined by the detailed ground gravity survey conducted during the period ending 30 September 2001. These were two anomalies located at the southern margin of the Aries south lobe (Athena and Helena anomalies) and a third one over Persephone, 200 meters south east of Athena.



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SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS (continued)**3. Discussion of Operations and Financial Condition (continued)**

Six diamond drill holes totaling 631m were drilled into these three anomalies to test for kimberlite and to obtain sufficient material for heavy mineral analysis and micro diamond analysis. Visual inspection suggests that kimberlitic material including kimberlitic breccia, massive macrocrystic kimberlite and kimberlitic clay was intersected at Persephone and Athena while predominantly xenolith-dominated kimberlitic breccia was intersected at Helena.

Nine micro diamond samples collected from these holes were freighted to Lakefield laboratories in Vancouver Canada for analyses and nine heavy mineral samples will be freighted to Mineral Services Laboratory in Capetown, South Africa for indicator mineral analysis. Results will be announced as they become available.

Mineral Services, Capetown was contracted to undertake an assessment of the economic potential of the North and Central Lobes of the Aries Kimberlite. Representative drill core samples from the various phases in the North and Central lobes were selected by an agent from Mineral Services and will be freighted to Mineral Services' laboratory in Capetown, South Africa, for heavy mineral analysis and to Lakefield laboratories in Vancouver, Canada for micro diamond analysis. The sampling has been designed to test the diamond potential of all the predominant phases based on indicator mineral chemistry and micro diamond characteristics. This, in conjunction with the petrographic evaluation, will allow for an assessment of economic potential of the north and central lobes of this kimberlite.

In addition to work on the established targets, on-going integration of available geological, geophysical and mineralogical results is continuing. This work will identify additional targets that require field follow-up.

East Kimberley PGM – Base Metal Projects

East Kimberley Region, Western Australia

(Thundelarra 100% except where otherwise stated)

The Company executed an agreement on 5 December 2000 with the owners to acquire all of the equity of Magmatic Metals Ltd. (Magmatic) of Western Australia. The Company has acquired all 2,000,000 issued shares of Magmatic from Messrs. Richardson and Attwell in exchange for the issuance of up to an equal number of common shares of the Company at a deemed price of \$0.25 per share, such shares to be issued to Messrs. Richardson and Attwell on a pro-rata basis. The assets of Magmatic consist of the following:

On 24 November 2000 Magmatic was granted an option to acquire from Attgold Pty. Ltd. (Attgold) a 100% right, title and interest in and to 7 platinum and palladium tenements (the Kimberley Project) located on approximately 476 sq km in the East Kimberley region of Western Australia (the Attgold Agreement). The option has been exercised by Magmatic. Conditions to the exercise of this option are that Magmatic pay Attgold the sum of Au.\$65,000, and applicable taxes and employ Mr. Attwell as a senior geologist for an 18 month period following the Company's ASX listing. During this time, Mr. Attwell's remuneration will be Au.\$76,500. Simon Attwell, a shareholder of Magmatic, is also a principal of Attgold.

On 27 November 2000 Magmatic was granted an option to acquire from FutureXone Limited ("FutureXone") (formerly Resource Exploration Ltd.) a 100% right, title and interest in and to 17 platinum and palladium tenements (the "Murchison Project"), located approximately 420km north-east of Perth in Southern Murchison province, Australia (the "FutureXone Agreement"). The option was exercised by Magmatic. Conditions to the exercise of this option are that Magmatic pay FutureXone the sum of Au.\$200,000. Brian Richardson, a shareholder of Magmatic is also a shareholder of FutureXone.

In addition to acceptance by the regulatory authorities having jurisdiction over the Company's affairs, closing of the Magmatic acquisition was subject to the Company having achieved its listing on the ASX and formal agreements being entered into between the Company and Attgold and between the Company and FutureXone to replace both the Attgold Agreement and the Future Agreement.

In addition to the Magmatic acquisition, the Company recently applied for two Exploration Licences 80/2569 and 2578 covering 297 square km in the east Kimberley region of Western Australia. These Exploration Licences include the Big Ben layered ultramafic-mafic intrusion. This intrusion is the faulted western extension of the Lower Proterozoic Panton Sill, which hosts one of the largest PGM resources in Australia.

During the period under review, the Company has completed a productive field season in the East Kimberley. A total of 1600 soil and rock samples were collected with encouraging results. Several important joint ventures were signed and an agreement was reached with the Kimberley Land Council over most of the company's tenements in the East Kimberley. The results of this initial phase of exploration are detailed below.

An agreement having been signed with the Kimberley Land Council and the relevant native title claimants covering the project area, field programs began in May and during the period ended 30 June 2001 Thundelarra prepared for its exploration campaign on the Panton, Billymac Yard and Eileen Bore projects.

Panton North Project (E80/2290)

(Thundelarra earning 50% – increased from 35%)

The northern extension of the Panton Sill, this tenement (Panton North Project E80/2290) contains ultramafic rocks with known PGM mineralised chromitite horizons (rock sample I.29g/t PGM) and has the potential to host PGM mineralization associated with basal sulphide accumulation.

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SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS (continued)

3. Discussion of Operations and Financial Condition (continued)

During the period ending 30 June 2001, an orientation soil sampling program returned encouraging results. A total of 174 soil samples were collected at 50m spacing on 3 lines approximately 400m apart. A MagLag and -2mm fraction sample was collected from each site and submitted for multi-element analysis. Rock samples were also collected from each site and these are currently being analysed. The soil anomaly defined by the 100 parts per billion (ppb) Pt + Pd contour outlines a zone over 800m in strike length and up to 350m wide. The maximum value from the MagLag sampling was 515 ppb Pt + Pd (715 ppb from (-2mm) with most values above 200ppb within the anomalous zone. The anomaly remains open to the north and south. Significantly there is a strong co-incident gold, nickel and copper anomaly associated with the PGM's. The maximum gold value was 856 ppb while nickel and copper peaked at 0.37% and 0.24% respectively. At this stage the anomaly appears to be related to sulphides rather than chromitites and is interpreted as the extension of the Platinum Australia Ltd's recently discovered Northern Anomaly. This zone, the "Northern Anomaly", is a large continuous zone of low-grade platinum-palladium-nickel-copper-cobalt mineralization with a strike length of 2,000m and a width of 200m within PLA's tenements.

During the period under review, the Company completed a soil-sampling program covering approximately 2 kilometers strike of the lower ultramafic sequence of the Panton Sill. The results of this sampling program defined a robust and extensive soil anomaly.

A 500ppb (0.5g/t) platinum+palladium+gold ("Pt+Pd+Au") contour outlined an area approximately 1,000m long by 300m wide with maximum values of 985ppb Pt+Pd+Au. The anomaly also has coincident copper and nickel anomalism with maximum values of 881ppm copper and 2,590ppm nickel.

PLA recently announced the results from a 19 hole reverse circulation drilling program over the Northern Anomaly. Better results include 128m @ 0.55g/t Pt+Pd+Au, 115m @ 0.55g/t Pt+Pd+Au and 136m @ 0.49g/t Pt+Pd+Au. Significantly, the broadest intercepts occur on the northern-most lines and within several hundred meters of Thundelarra's E80/2290 tenement boundary. PLA plans to carry out additional drilling and metallurgical testing to evaluate this new zone of mineralization.

Thundelarra's management is very encouraged by this discovery of a new style of PGM mineralization in the East Kimberley and by the fact that the mineralized zone appears to strike into the Company's Panton North tenement. This discovery corroborates Thundelarra's exploration strategy for the East Kimberley. The majority of the tenements were acquired in this region because the Company was confident that the area had the potential to host large tonnage low grade PGM ore bodies not related to narrow chromitite seams.

Work will continue on the Panton North tenement involving the integration of all historical and current exploration results. This work will help define zones that are prospective for higher grade PGM mineralization within this extensive low grade halo.

Eileen Bore (ELA 80/2716)
(Thundelarra 100%)

The Eileen Bore project covers the western margin of the McIntosh igneous complex and a series of small mafic-ultramafic intrusions to the east where past explorers discovered significant nickel, copper and PGM mineralization. Significant copper, nickel and PGM anomalism has been identified at the Eileen Bore and Alice Downs prospects where the best drill intercepts include 35m of 0.78% copper 0.36% nickel and 0.61g/t PGM and 16m of 1.4% nickel and 0.94% copper. Little systematic PGM work has been done over the tenement. These smaller intrusions extend along the northeast striking Alice Downs fault system and appear to be related to it.

The Eileen Bore prospect is located in the south central portion of the project area. The project covers a poorly exposed metasedimentary and metamorphic package of the Tickalara Metamorphics on the eastern margin of the Alice Downs fault. The Tickalara Metamorphics are intruded by sulphide bearing mafic and ultramafic rocks including pyroxenite and peridotite, and the mineralization is hosted within a 70-meter wide hornblende unit.

Exploration in the 1970s and early 1980s defined extensive copper and nickel soil anomalies. Drilling over a 500 meter strike length of a 2 kilometer long soil anomaly intersected 54m @ 0.83% copper and 0.31% nickel within fresh rock. In 1986 a limited RAB drilling program discovered anomalous platinum and palladium mineralization associated with the copper and nickel mineralization. The best reported drill intercept was 35m @ 0.46ppm palladium, 0.15ppm platinum, 0.78% copper, 0.17% nickel and 0.17ppm gold (see attached Eileen Bore drill section map).

The Alice Downs prospect is located 8 kilometers north east of the Eileen Bore prospect. The prospect covers Tickalara Metamorphics intruded by pyroxenite and peridotite enveloped by extensive metagabbro. The 3 main anomalies are termed Shiraz, Cabernet and Maibec and extend for over 2 kilometers in strike.

Mineralization consists of copper-nickel bearing sulphides within peridotites and pyroxenites and minor copper mineralization within the gabbro. Best drill intercepts from the 1970s drilling include 16m @ 1.4% nickel and 0.94% copper. Little PGM assaying was done.

Thundelarra has just completed systematic soil sampling programs over both prospects and results will be available shortly. These prospects both have the potential to host large tonnage low-grade PGM-base metal mineralization which may be suitable for open cast mining methods.

Falconbridge (Australia) Pty Limited ("Falconbridge"), a subsidiary of one of the world's largest nickel producers, recently entered into a joint venture (McIntosh Joint Venture) with Thundelarra to explore for nickel-copper over a portion of the Eileen Bore tenement. Under the terms of the joint venture Falconbridge may earn a 70% interest in the area by expending \$1 million over 4 years. To maintain a working right and interest in the area, Falconbridge must spend no less than \$75,000 in the first year and \$125,000 in the second year.



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SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS (continued)**3. Discussion of Operations and Financial Condition (continued)**

The joint venture covers the southern portion of the Mcintosh intrusion which has the potential to host nickel-copper mineralization of the Voisey Bay style. This area contains the interpreted "feeder zone" for the large intrusion. Falconbridge is currently flying an airborne EM survey over the area including the southern part of the Eileen Bore prospect. Preliminary results are expected towards the end of November.

Big Ben Project (EL80/2569)
(Thundelarra 100%)

The Big Ben body, the faulted western extension of the Pantom Sill which hosts Platinum Australia Ltd's 2.2 million ounce PGM resource, contains a thick sequence of ultramafic cumulates and chromitite layers and comprises a lower ultramafic zone, approximately 1,500m thick of dunite, lherzolite and tremolite and an overlying mafic zone approximately 500m thick of mottled anorthosite, gabbro, gabbro-norite and norite. Chromitite layers occur in both the lower and upper parts of the ultramafic zone. The highest assay from 18 rock samples collected during the period 1994 -1995 was 1.61 g/t combined platinum and palladium with the palladium values generally higher than the platinum. Recent work by The Company has confirmed the anomalous nature of the chromitites and associated ultramafic rocks.

During the period ended 30 June 2001, the Company completed a field reconnaissance survey of the Big Ben intrusion which exposed chromitite seams up to 2m wide and of a similar character to the seams on the nearby Pantom Sill. The detailed soil-sampling program yielded a total of 632 soil samples (~2mm) on a 200m by 50m grid pattern and submitted for multi-element analysis. Results have defined a number of discrete zones of anomalism spanning the length of the intrusion. The best of these anomalies is located in the upper ultramafic sequence and spans in excess of 1.6km in strike, 550m in width and peaks at 455ppb platinum and palladium. Significantly most of the anomalous PGM results also have anomalous chrome values suggesting that the anomalies are sourced from nearby PGM bearing chromitite horizons, the same rock which host the Pantom Sill resource. An infill soil sampling program and systematic rock chip sampling of all chromitite horizons was recently completed and results are due shortly.

Southern Murchison PGM and Gold Projects
Southern Murchison Province, Western Australia

The Baron and Fields Find
(Thundelarra 100%)

The Baron project is located 420km northeast of Perth and consists of 6 tenements covering 1,720 hectares containing the Baron Rothschild inferred gold resource of 352,900t grading 2.79g/t gold. The Company purchased an 80% equity in the project from FutureXone (formerly Resource Exploration Ltd.) in 1998. The Company's recently completed acquisition of MML has resulted in the residual 20% share (formerly owned by FutureXone) being acquired by the Company.

The local geology consists of a sequence of mafic, ultramafic and felsic rocks with interlayered banded iron formation units. Porphyritic granite intrudes the greenstone along the southeastern boundary. Identified gold mineralisation is related to intense pyrite-pyrrhotite replacement of the banded iron. Exploration by FutureXone and subsequently the Company discovered several zones of low grade gold mineralisation along strike from the Baron Rothschild resource.

In 1999 and following the discovery of PGM by FutureXone at the nearby Breakaway prospect, the Company intersected encouraging PGM values in a shallow RAB drilling program at the Dauphin prospect. A best intercept of 7m at 0.61g/t platinum and palladium combined from 30m was encountered in hole PYB009. Subsequent drilling defined PGM anomalism at the weathered bedrock interface over a 400m strike length and the mineralisation remains open. Anomalism is hosted within a coarse grained phase of an ultramafic package.

The exploration model used at the Dauphin is based on the Lac des Isles PGM deposit of Canada. This deposit, owned by North American Palladium (in which the Company holds no interest), has a published resource of 94.1 million tonnes at a grade of 1.66 grams per tonne palladium and 0.18 grams per tonne platinum. By the year 2002 the Lac des Isles open pit mine is expected to produce 250,000 oz of palladium annually. The mineralisation is hosted within breccia zones in gabbro and is an example of a hydrothermally re-mobilised ore body. The geological settings of the Dauphin and nearby Fields Find PGM projects have a number of similarities to the geology of this Canadian mine.

The Fields Find and Baron projects contain recent but poorly explored PGM discoveries first made in 1998. At Fields Find, rock-chip sampling of highly weathered ultramafic rocks on the northern margin of the Fields Find layered intrusion produced results up to 1.83g/t PGM at the Breakaway prospect. Follow-up soil sampling defined an anomalous zone over 1.8km in strike with combined platinum and palladium values up of 456 ppb. Subsequent limited rotary air blast ("RAB") drilling returned a best result of 25m of 0.61g/t PGM and 1650 ppm copper. The strong coincidence of PGM copper and gold suggests an ultimate sulphide source for these elements.

At the Baron project, some 18km to the east of Fields Find, limited RAB drilling in 1999 returned a best intercept of 6m of 0.70g/t PGM. Follow-up drilling on adjacent lines returned further encouraging results.



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SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS (continued)**3. Discussion of Operations and Financial Condition (continued)**

Thundelarra commenced field exploration of these projects with soil sampling and geological mapping programs completed and a 1,500m RC/diamond drilling program commenced and completed during the period under review. Results are as follows:

- at Fields Find the company completed a 1,129m reverse circulation and diamond drilling program to test the Breakaway PGM prospect. The reverse circulation drilling intersected broad zones of anomalous supergene PGM mineralization including 14m of 920 ppb Pt + Pd from 1m (FFRC001). The deeper diamond drilling however failed to locate any significant mineralization within the sulphide zone; and
- at the Baron project, two reverse circulation holes were drilled for a total of 182m. Hole number BNRC003 intersected a broad zone of anomalous PGM mineralization from 32m to 60m (28m of 260ppb Pt + Pd) within a shear zone.

Further work at Fields Find is now required both along and across strike to locate a possible source of the supergene PGM mineralization and likewise, further work is required to determine the significance of the mineralization and a number of soil anomalies discovered elsewhere on the Baron project.

Rothsay Gold Project

Southern Murchison Province, Western Australia

(Thundelarra earning 70%)

During the previous financial year the Company entered into an agreement with Central West Gold NL to earn up to 70% in the Rothsay gold mine for a total expenditure of Au.\$350,000 over a period of three years of which Au.\$50,000 has to be expended in the first year. The mine is located in the Murchison gold field 310km north of Perth and its tenements cover 1090 hectares.

The Rothsay gold mine was discovered in 1894 and the recorded historical production is 56,000 ozs. The project contains an inferred gold resource of 240,000t grading 6.8g/t gold. The resource remains open at depth and along strike and good potential exists for further economic gold mineralization on the project tenements.

Recent rock-chip sampling south of the Tea Tree anomaly about 3km north of the main workings has defined an anomalous gossanous quartz vein which is in excess of 200m in length and up to 2m in width. Systematic rock-chip sampling along its entire length produced anomalous results with a best result of 17.25g/t gold and 10.7% copper from sample RTRK 030. The quartz vein appears to disappear under a thin veneer of cover to the south and is faulted to the north. Further detailed mapping and sampling will be conducted to extend this horizon and the abundance of quartz scree up slope suggests some other parallel layers may be present.

An RC/diamond drilling program commenced in May to test at depth the mineralised zone to the south of, and beneath, the existing workings at the Rothsay mine. A four hole drilling program totalling 579.5m was conducted to test the southern extension of the main reef. Results are tabulated below:

Results – Rothsay Drilling Program**Note: AMG datum AGD 84, Zone 50.**

Hole No.	N	E	From (m)	To (m)	Width (m)	Grade Au g/t
RORC001	6759898	488268	94	95	1	2.70
RORC002	6759931	488225	86	91	5	9.20
RORC003	6759960	488276	169.0	170.52	1.52	3.18
RORC004	6759934	488308	165.17	165.80	0.63	20.83

The holes were sited on 2 lines approximately 420m and 475m south of the Rothsay open cut. Drilling by previous explorers had intersected significant grade mineralization over a strike length of approximately 200m south of the Rothsay mine. The recent results confirm the earlier work and indicate that the zone continues both along strike and at depth. Further work is now required to determine the resource potential of this southern extension.

Negotiations are continuing with parties interested in mining and processing the high grade underground resource.

During the period under review, the Company has concentrated all its exploration efforts in the East Kimberley which is subject to a relatively brief exploration season and no work was undertaken in the Southern Murchison. It is planned that exploration will recommence on these projects in the coming summer months.



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SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS (continued)**3. Discussion of Operations and Financial Condition (continued)*****Davyhurst (ELA16/175)***

Coolgardie Mineral Field, Western Australia

(Thundelarra 100% and Perilya earning 65%)

The Davyhurst prospect comprises one application for an Exploration Licence, E16/175, which covers an area of approximately 23 sq kms in the Coolgardie Mineral Field. The Company has commenced work during the period ended 30 September 2001 on the Davyhurst prospect, acquired as a result of the MML acquisition, which is located 110km north west of Kalgoorlie and covers about 7km in strike of the prospective Zuleika Shear. This shear is closely associated with the Kundana Gold deposits to the southeast and a number of prospects within Croesus Mining N.L.'s ("Croesus") Davyhurst Project to the north (in which the Company holds no interest). Historically the Davyhurst area has produced deposits that have bonanza style grades. Croesus has reported intercepts of 5m @ 43.17 g/t from 12m at its Salmon Gums Project which lies just to the north of ELA 16/175. A compilation by Thundelarra of past work showed that only broadly spaced soil sampling and reconnaissance RAB drilling had been completed over a largely alluvial covered tenement. The RAB drilling defined a shallow cover sequence with a broad interface gold anomaly peaking at 898ppb gold over a sheared and silicified mafic sequence. Recent successes by other explorers to the north and south of the project area along the Zuleika Shear indicate that the Company's Davyhurst prospect is worthy of being explored.

On September 6, 2001 Thundelarra announced that the Company had entered into a joint venture with Perilya Limited ("Perilya") covering the Davyhurst tenement. Under the terms of the joint venture Perilya will have the right to sole fund \$1.7 million expenditure over 4 years to earn a 65% interest in the tenement. Perilya will also commit to sole fund a minimum of \$150,000 within 12 months of signing the formal joint venture document. A number of targets are already well defined on the project and Perilya plans to commence drill testing as soon as the tenement is granted.

ANT Mining Claims

The Company retains a 3% net smelter return in and to 27 mineral claims and 7 fractional claims located in the Whitehorse Mining District, Yukon Territory which were sold by it to FM Resources Ltd. ("FM"), formerly Redell Mining Corp., pursuant to the terms of an agreement dated August 2, 1994, as amended September 15, 1994, November 30, 1994 and May 1, 1995. The Company has granted FM the right to purchase 2% of its 3% net smelter return for the sum of \$2,000,000. To date FM Resources has not exercised this option.

Use of Proceeds

The Company incurred a net loss for the three month period ended 30 September 2001 of \$109,971 (30 September 2000 - \$79,134) and a net loss for the year ended 30 September 2001 of \$594,078 (30 September 2000 - \$403,084). The loss for the year ended 30 September 2001 are comprised mostly of the following costs:

Professional fees of \$200,890 (30 September 2000 - \$134,368) were paid or accrued of which \$32,693 (30 September 2000 - \$71,212) was paid or accrued to a director for legal fees and \$36,795 (30 September 2000 - \$36,000) was paid to a director for consulting fees.

Office costs of \$133,766 (30 September 2000 - \$47,364) were paid or accrued and includes courier, printing, office rent, telephone, insurance and other general office costs.

Regulatory and trust company fees of \$61,081 (30 September 2000 - \$22,645) were paid or accrued for costs incurred with the Canadian Venture Exchange, Australian Stock Exchange and to the Company's transfer agent.

Shareholder and investor relations costs of \$23,037 (30 September 2000 - \$32,468) were paid or accrued which related to the preparation and compiling of investor kits, dissemination of news releases to shareholders and other investor communications during the year.

Salaries to staff in Australia of \$81,531 (30 September 2000 - \$Nil) were paid or accrued of which \$33,659 (30 September 2000 - \$Nil) was paid to a director.

Administration costs of \$66,965 (30 September 2000 - \$Nil) were paid or accrued to a company with a common director during the year.

Transactions with Related Parties for the year ended 30 September 2001

- Legal fees in the amount of \$32,693 (2000 - \$71,212) were paid or accrued to a director of the Company.
- Consulting fees in the amount of \$36,795 (2000 - \$36,000) paid or accrued to a director and officer of the Company.
- Salary in the amount of \$33,659 (2000 - \$Nil) were paid or accrued to a director of the Company.
- Office administration fees in the amount of \$66,965 (2000 - \$Nil) were paid or accrued to a company with a common director.

Management

Mr Ian M Adam resigned, effective 20 April 2001, from the Board of Directors and from his post as Chairman of the Audit Committee of the Company. Mr Frank DeMarte presently Chief Financial Officer of the Company, consented to join the Board to fill the vacancy and became the Chairman of the Audit Committee. Effective 27 July 2001, Walter Terrence Plummer resigned as a director of the Company and effective 30 July 2001, Steven Sobolewski resigned as a director of the Company.

The Company's audit committee is comprised of the following directors: Messrs. Frank DeMarte, Ross Glanville and Jeremy Caddy.



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SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS (continued)

3. Discussion of Operations and Financial Condition (continued)

Shares Issued and Outstanding

As of 30 September 2001, the Company has 40,380,539 common shares issued and outstanding as fully paid and non-assessable. No preference shares are issued or outstanding as of the date hereof.

In March 2001, the Company completed a share offering pursuant to a prospectus issued in Australia. The Company issued 9,151,151 common shares for gross proceeds of Au.\$3,140,000 (\$2,480,807 Canadian funds net of share issuance costs). On March 22, 2001 the shares of the Company commenced trading on the Australian Stock Exchange. The Company continues to have its listing on the Canadian Venture Exchange.

On 8 June 2001, the Company issued 2,000,000 shares at a deemed price of \$0.25 per share for a deemed value of \$500,000 to acquire Magmatic Metals Ltd. With this acquisition, the Company received options on several platinum and palladium tenements (the Kimberley Project) in the East Kimberley region of Western Australia. The Company also received options on several platinum and palladium tenements (the Murchison Project), located 420 km north-east of Perth in Southern Murchison province of Australia and a 20% interest in the Baron Prospect.

During the twelve months period ended 30 September 2001, the Company's directors and officers exercised their right to acquire shares of the Company in accordance with incentive stock option agreements. Collectively, the directors and officers acquired a total of 730,000 common shares of the Company at a price of \$0.18 each for cash proceeds of \$131,400 and 100,000 common shares of the Company at a price of \$0.30 each for cash proceeds of \$30,000 and 100,000 common shares of the Company at a price of \$0.23 each for cash proceeds of \$23,000.

The Company also announces that it has granted incentive stock options for the purchase of up to an aggregate of 400,000 shares of the Company. These options are to be exercisable until the close of business on 7 December 2002 at a price of \$0.23 per share or such other price as is acceptable to the Exchange.

Investor Relations

As of the date hereof the Company has no investor relations contracts.

Special Resolutions Passed by the Company

At a Special General Meeting of Members held on 17 May 2000 Members approved a Special Resolution pursuant to which the Company will be continued and reincorporated as a Yukon Territory Company and further, Members adopted and approved Articles of Continuance and Bylaws of the Company (Yukon) to be effective on the date of a Certificate of Continuance by the Registrar of Corporations for the Yukon Territory. Subsequently and during the period under review, at the Annual General Meeting of the Company held on 15 December 2000, Members adopted and approved a Special Resolution pursuant to which the Articles of Continuance and Bylaws of the Company (Yukon) were amended to include provisions required by the Australian Stock Exchange, to be effective on the date of a Certificate of Continuance by the Registrar of Corporations for the Yukon Territory. On 16 January 2001 the Company received all consents necessary for the Company to be continued and reincorporated as a Yukon Territory Company.

4. Subsequent Events

Effective 24 July 2001, the Company received approval from the Canadian Venture Exchange (the "Exchange") to extend the expiry date of the warrants to acquire 3,000,000 common shares issued to investors pursuant to a private placement brokered in part by Bolder Investment Partners, Ltd. ("Bolder") and accepted for filing by the Exchange effective 2 August 2000, and 300,000 Agent/Broker warrants issued as a commission/finders fee to Bolder pursuant to the aforementioned private placement, from 9 August 2001 to 9 August 2002. The exercise price of the warrants was also amended from \$0.30 to \$0.33 per common share. For more details of the private placement refer to Paragraph 5. Financings, Principal Purposes and Milestones herein below.

As a subsequent event, on October 9, 2001 the Company reported the appointments, with immediate effect, of two directors, Rick Wayne Crabb and Brian Richardson, to fill the vacancies created by the resignations of Terrance Plummer and Steven Sobolewski in July and the appointment of a new director, Malcolm Roger Joseph Randall. The resumés of the new appointments to the Company's board of directors follow:

Rick Wayne Crabb

B.Juris (Hons), LLB, MBA

Mr Crabb is a solicitor and is a partner with the law firm Blakiston & Crabb. He holds a Bachelor of Jurisprudence (Hons), Bachelor of Laws and Master of Business Administration from the University of Western Australia. Mr Crabb specializes in mining, corporate and commercial law and has extensive Australian and overseas experience in legal issues arising in resource development including contract negotiation and financing. He is a director of investment bank, Chatsworth Stirling Pty Ltd and is also a director of listed companies Paladin Resources Limited, Menzies Court Holdings Limited, Ashburton Minerals Limited and Alcaston Mining NL.



QUARTERLY REPORT
- FORM 51 (continued)

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS (continued)**4. Subsequent Events (continued)**

Brian Richardson
BSc (Hons) MAusIMM

Mr Richardson has over twenty years of experience in the mining industry in Western Australia and the Northern Territory. He was Exploration Manager of Miralga Mining NL and involved in the early exploration of Sulphur Springs base metals – gold project. He was also involved in the generation of various projects for Gasgoyne Gold Mines NL. In this role he discovered the Southern Star Mine in 1994/95. From 1997 through to 2000 he was the Managing Director of Resource Exploration NL (now FutureXone Limited) an Australian listed junior exploration company.

Malcolm Roger Joseph Randall
B.Applied Chem

Mr Randall has had extensive experience in management and marketing in the resource sector with the Rio Tinto group of companies. This has included senior technical and commercial roles in Hamersley Iron Pty Ltd and business development activities for Argyle Diamonds in China, Thailand and India and establishment of Argyle's Antwerp sales office for polished stones. From 1993 to 1996 he was Managing Director of Biron Corporation following which he has undertaken consultancy roles for Ocean Resources NL for the first diamond Contract of Work awarded in Indonesia, consultant to Golden Tiger Resources NL on their Vietnamese mineral opportunities and commercial advisor to the Hope Downs Iron Ore Project.

5. Financings, Principal Purposes and Milestones

By its news release dated 11 August 2000, the Company announced that its private placement, partly brokered by Bolder had closed fully subscribed. The Exchange had previously confirmed by notice dated 1 August 2000 that it had accepted for filing documentation with respect to a private placement announced on 4 May 2000 in respect of 6,000,000 shares (of which 2,570,000 were brokered) at a purchase price of 25 cents per share, and of 6,000,000 non-transferable share purchase warrants to purchase 3,000,000 shares at a warrant exercise price of 30 cents within a one-year period. Bolders cash commission was equal to 7 per cent of the proceeds raised by the Agent and it has been granted non-transferable share purchase warrants to purchase up to 300,000 common shares of the Company. Gross proceeds from this financing amounted to \$1,500,000 most of which was expended on the Company's Phillips Range Diamond Project.

On 7 February 2001 the Company disclosed by news release that it lodged a Prospectus with the Australian Securities & Investments Commission in Australia.

The Company raised a total of Au.\$3,140,000, including Au.\$500,000 in over-subscriptions, by the issue of 9,515,151 common shares at a price of Au.\$0.33 per share under the Prospectus.

In conjunction with the resulting issue of shares in Australia, the Company applied for listing of its shares on the ASX. The ASX accepted the Company's shares for listing on 16 March 2001 and trading commenced on 22 March 2001. The Company's shares will remain listed on the Canadian Venture Exchange.

The offer pursuant to the Prospectus was fully underwritten by Montagu Stockbrokers. The Company contracted to pay to Montagu Stockbrokers a management fee of Au.\$25,000 and an underwriting fee equal to 6% of Au.\$2,640,000 (Au.\$158,400).

The principal use to which proceeds from the capital raising has been, and will be, put is to enable the Company to take the opportunity being presented by the high prices of platinum and palladium to carry out detailed exploration of its tenements for these precious metals.

6. Liquidity and Solvency

The Company's financial statements are prepared on a going concern basis which assumes that the Company will be able to realize assets and discharge liabilities in the normal course of business.

As at 30 September 2001, the Company had working capital of \$1,340,873 (30 September 2000 – \$255,511) and an accumulated deficit of \$5,522,791 (30 September 2000 – \$4,928,713).

The Company's ability to continue as a going concern depends on its ability to raise additional financing successfully. If the Company is unable to obtain additional financing it may be forced to realize its assets at amounts significantly lower than the current carrying value.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Phil Crabb, President, +61 8 9321 9680
Thundelarra Exploration Ltd
Perth, Western Australia

or

Jeremy Caddy, CEO, 604 682 6718
Thundelarra Exploration Ltd
Vancouver, Canada

ADDITIONAL SHAREHOLDER INFORMATION

Pursuant to the Listing Requirements of the Australian Stock Exchange Limited as at 13 December 2001.

(a) Distribution Schedule of Holdings

	Number of Shareholders
1 – 1,000	26
1,001 – 5,000	192
5,001 – 10,000	232
10,001 – 100,000	367
100,001 – over	45
Total	862
Number of holders holding less than a marketable parcel.	40

(b) Statement of Twenty Largest Shareholders

Name of Shareholder	Number of Shares	Percentage of Total Issued Capital
Ragged Range Mining Pty Ltd	10,300,000	25.23%
CDS & Co	6,978,869	17.10%
Ioma Pty Ltd	1,588,661	3.89%
Mr Frank DeMarte	1,302,000	3.19%
Mr Simon Attwell	1,000,000	2.45%
Mr Brian Dudley Richardson	1,000,000	2.45%
Mr Rick Wayne Crabb & Mrs Carol Jean Crabb	600,000	1.47%
Mozambique Investments Limited	500,000	1.22%
Westessa Holdings Pty Ltd	390,000	0.96%
Michael Angelakis Nominees	300,100	0.74%
Mr Keith Dunstan & Mrs Olive June Dunstan	250,000	0.61%
Monteal Trust ATF	201,046	0.49%
Mr Philip Crabb	200,000	0.49%
Golden Capital Securities Ltd	200,000	0.49%
Mr Breck Donald Waterman	200,000	0.49%
Ms Kathryn Yule	200,000	0.49%
Renique Holdings Pty Ltd	190,000	0.47%
J W Crabb & Co Pty Ltd	173,500	0.43%
Mr John Falconer	150,000	0.37%
Mr Brian Richardson	150,000	0.37%
TOTAL	25,874,176	63.39%

(c) Substantial Shareholders

Substantial shareholders (holding not less than 5%) as shown in the Company's Register of Substantial Shareholders.

	Number of Shares	Percentage Held
Ragged Range Mining Pty Ltd and Associates	13,793,101	33.78%
CDS and Co.	6,978,869	17.10%



(d) Voting Rights Attached to Shares and CDI's

There is only one class of shares on issue on the Company being fully paid common (ordinary) shares.

The rights attaching to shares are:

- (a) set out in the By-Laws of the Company; and
- (b) in certain circumstances, regulated by the Business Corporations Act and Regulations, the Canadian Securities Administrator National Policy Statement No. 41 entitled "Shareholder Communication, the Listing Rules, the SCH Business Rules and general law.

The following is a summary of the principal rights of the holders of Shares and CDI's in the Company.

Voting

Subject to the provisions of the Business Corporations Act as to authorized representative of any body corporate, at any meeting of shareholders in respect of which the Company has prepared a list of shareholders entitled to notice of the meeting, every person who is named in such list shall be entitled to vote the shares shown on the list opposite his or her name except, where the Company has fixed a record date in respect of such meeting, to the extent that such person has transferred any of his or her shares after the record date and the transferee, upon producing properly endorsed certificates evidencing such shares or otherwise establishing that he or she owns that share, demands not later than 10 days before the meeting that his or her name be included in such list, in which event the transferee alone shall be entitled to vote the transferred shares at the meeting. Where no record date has been fixed and no notice of meeting given, or in the absence of a list prepared of the shareholders entitled to notice in respect of a meeting of shareholders, every person shall be entitled to vote at the meeting who at the time is entered into the securities register as the holder of one or more shares carrying the right to vote at such meeting. CDI holders cannot vote personally at a meeting of shareholders. A person holding CDI's must convert them into Shares in sufficient time before the meeting to enable them to vote personally.

Every shareholder entitled to vote at a meeting of shareholder may appoint a proxy holder, or one or more alternate proxy holders, who need not be shareholders, to attend and act at the meeting and to the manner or extent authorized and with the authority conferred by the proxy. A CDI holder can direct CHES Depository Nominees Pty Ltd to cast proxy votes in accordance with the written directions of the CDI holder.

Subject to provisions of the Business Corporations Act. Any question at a meeting of shareholders shall be decided by show of hands unless a ballot is required or demanded. Upon a show of hands, every person who is present is entitled to vote shall have one vote.

A ballot may be demanded by any shareholder or proxy holder entitled to vote at the meeting. A ballot so required or demanded shall be taken in such manner as the Chairman shall direct. No ballot may be demanded on the election of a Chairman.

(e) Stock Exchanges

The Company's shares are quoted on the following Stock Exchanges;

Stock Exchange	Code
Australian Stock Exchange Limited	THX
Canadian Venture Exchange	TLX

(f) On Market Buy Back

There is no current on market buy back.

(g) Corporate Governance Statement

Corporate Governance

The board is responsible for the overall Corporate Governance of the Company including the strategic direction, establishing goals for management and monitoring the achievement of these goals. The board has also established a framework for the management of the Company including setting levels of remuneration for Directors, Managers and senior personnel, and overall framework of internal control and the establishment of appropriate ethical standards.

The Board regularly reviews operational and financial performance and reviews and approves detailed budgets and investment opportunities. Being a small company at present, the Board works closely with executive management to identify and manage operational, financial and legislative risk. Corporate Governance policies and procedures have been in place since the incorporation.

Audit Committee

Pursuant to the Business Corporations Act (Yukon) the Company is required to elect an Audit Committee comprised of not fewer than three directors, of whom a majority shall not be officers or employees of the Company or an affiliate of the Company. The Audit Committee's functions are to monitor overall adherence to Company policy, the effectiveness of the Company's internal audit personnel and their audit activities and to meet with the Company's accountants and auditors on financial and audit matters, as appropriate.

ADDITIONAL SHAREHOLDER INFORMATION (continued)

(g) Corporate Governance Statement (continued)

Composition of the Board

The composition of the Board is determined using the following principles:

- The Board should comprise of at least four Directors. This number may be increased where it is felt that additional expertise is required in specific areas, or when an outstanding candidate materialises.
- The Board should comprise Directors with a broad range of expertise.

When a vacancy exists, through whatever cause, or where it is considered that the Board would benefit from the services of a new director with particular skills, the Board selects a candidate or panel of candidates with the appropriate expertise and experience. The Board then appoints the most suitable candidate who must stand for election at the next general meeting of shareholders. The Company does not have a formal Nomination Committee.

Independent Professional Advice

Each director has the right to seek independent professional advice at the Company's expense. However, prior approval of the Chairman is required, which may not be unreasonably withheld.

Ethical Standards

All Directors, managers and employees are to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

(h) Interest in Mining Tenements Held

Tenement Number and Type	Tenement Name	Holder/Applicant	Shares Held	Status
CENTRAL KIMBERLEY				
E80/1499	Phillips Range	RRM THX	5/100ths 95/100ths	Granted 17/02/92
E80/2306	Phillips Range	RRM THX	5/100ths 95/100ths	Granted 13/11/97
E80/2307	Phillips Range	RRM THX	5/100ths 95/100ths	Granted 13/11/97
E80/2486	Phillips Range	RRM THX	5/100ths 95/100ths	Granted 06/04/00
E80/2462	Phillips Range	RRM THX	55/100ths 45/100ths	Pending (applied 10/03/99)
E80/2510	Phillips Range	RRM THX	56/100ths 44/100ths	Pending (applied 03/09/99)
E80/2561	Phillips Range	RRM THX	56/100ths 44/100ths	Pending (applied 22/00/00)
E80/2630	Phillips Range	RRM THX	5/100ths 95/100ths	Pending (applied 25/08/00)
E80/2650	Phillips Range	RRM THX	5/100ths 95/100ths	Pending (applied 27/10/00)
E80/2652	Phillips Range	RRM THX	5/100ths 95/100ths	Pending (applied 08/11/00)
E80/2684	Phillips Range	RRM THX	5/100ths 95/100ths	Pending (applied 22/12/00)
ELA80/2699	Phillips Range	RRM THX	5/100ths 95/100ths	Pending (applied 18/01/01)
M80/329	Phillips Range	RRM THX	5/100ths 95/100ths	Granted 26/07/91
M80/331	Phillips Range	RRM THX	5/100ths 95/100ths	Granted 21/12/91
MLA80/489	Phillips Range	RRM THX	5/100ths 95/100ths	Pending (applied 27/07/98)



ADDITIONAL SHAREHOLDER INFORMATION (continued)

Tenement Number and Type	Tenement Name	Holder/Applicant	Shares Held	Status
CENTRAL KIMBERLEY (continued)				
P80/1294	Phillips Range	RRM THX	5/100ths 95/100ths	Granted 28/07/94
P80/1295	Phillips Range	RRM THX	5/100ths 95/100ths	Granted 28/07/94
PLA80/1375	Phillips Range	RRM THX	5/100ths 95/100ths	Pending (applied 10/01/01)
PLA80/1377	Phillips Range	RRM THX	5/100ths 95/100ths	Pending (applied 10/01/01)
PLA80/1378	Phillips Range	RRM THX	5/100ths 95/100ths	Pending (applied 10/01/01)
PLA80/1379	Phillips Range	RRM THX	5/100ths 95/100ths	Pending (applied 10/01/01)
PLA80/1380	Phillips Range	RRM THX	5/100ths 95/100ths	Pending (applied 10/01/01)
EAST KIMBERLEY				
EL80/2569	Big Ben	THX	100/100ths	Granted 23/08/01
EL80/2578	Alice Hill North	THX	100/100ths	Granted 23/08/01
E80/2615	Moola Boola	Attgold	100/100ths	Granted 23/01/01
ELA80/2572	Bilgmac Yard	Attgold	100/100ths	Pending (applied 11/04/00)
ELA80/2601	Lambo	Attgold	100/100ths	Pending (applied 04/07/00)
EL80/2607	Corkwood South	Attgold	100/100ths	Granted 02/10/01
ELA80/2634	Nine Mile	Attgold	100/100ths	Pending (applied 31/08/00)
ELA80/2635	Corkwood North	Attgold	100/100ths	Pending (applied 31/08/00)
E80/2290	Panton North	THX KMN	35/100ths 65/100ths	Granted 24/06/98
E80/2569	Alice Downs	THX	100/100ths	Granted 23/08/01
E80/2578	Alice Hill	THX	100/100ths	Granted 23/08/01
E80/2686	Willagee	Attgold	100/100ths	Pending (applied 02/01/01)
E80/2747	Robin Well South	THX	100/100ths	Pending (applied 03/04/01)
E80/2751	Turkey Creek	THX	100/100ths	Pending (applied 03/04/01)
E80/2750	Bow River East	THX	100/100ths	Pending (applied 03/04/01)
E80/2749	Sally Downs Well	THX	100/100ths	Pending (applied 03/04/01)
E80/2748	Dave Hill	THX	100/100ths	Pending (applied 03/04/01)
E80/2746	Nortons	THX	100/100ths	Pending (applied 03/04/01)

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ADDITIONAL SHAREHOLDER INFORMATION (continued)

Tenement Number and Type	Tenement Name	Holder/Applicant	Shares Held	Status
EAST KIMBERLEY (continued)				
E80/2716	Eileen Bore	THX	100/100ths	Pending (applied 26/02/01)
PLA80/1423	Eileen Bore	THX	100/100ths	Pending (applied 06/06/01)
PLA80/1424	Eileen Bore	THX	100/100ths	Pending (applied 06/06/01)
PLA80/1425	Eileen Bore	THX	100/100ths	Pending (applied 06/06/01)
PLA80/1426	Eileen Bore	THX	100/100ths	Pending (applied 06/06/01)
PLA80/1427	Eileen Bore	THX	100/100ths	Pending (applied 06/06/01)
ELA80/2720	Panton South	THX	100/100ths	Pending (applied 15/03/01)
ELA/2805	Panton West	THX	100/100ths	Pending (applied 12/09/01)
ELA80/2817	Mable Downs	THX	100/100ths	Pending (applied 13/11/01)
ELA80/2824	Mable West	THX	100/100ths	Pending (applied 14/12/01)
SOUTHERN MURCHISON				
E59/807	Jarabee Well	THX	100/100ths	Granted 13/10/97
E59/835	Jarabee Well	THX	100/100ths	Granted 14/05/98
M59/63	Baron	THX FXL	100/100ths	Granted 13/10/87
P59/1369	Pinyalling	THX	100/100ths	Granted 21/02/95
P59/1370	Pinyalling	THX	100/100ths	Granted 21/02/95
P59/1371	Pinyalling	THX	100/100ths	Granted 21/02/95
P59/1372	Pinyalling	THX	100/100ths	Granted 21/02/95
P59/1373	Pinyalling	THX	100/100ths	Granted 21/02/95
MLA59/518	Pinyalling	THX	100/100ths	Pending (applied 17/02/99)
L59/24	Rothsay	CWG	100/100ths	Granted 22/08/89
M59/39	Rothsay	CWG	100/100ths	Granted 04/12/86
M59/40	Rothsay	CWG	100/100ths	Granted 04/12/86
E59/631	Fields Find	THX	100/100ths	Granted 29/08/95
E59/633	Fields Find	THX	100/100ths	Granted 19/10/95
E59/846	Fields Find	THX	100/100ths	Granted 01/07/99



ADDITIONAL SHAREHOLDER INFORMATION (continued)

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Tenement Number and Type	Tenement Name	Holder/Applicant	Shares Held	Status
SOUTHERN MURCHISON (continued)				
E59/894	Fields Find	Pasine Holdings Pty Ltd	100/100ths	Pending (applied 27/08/98)
P59/1186	Fields Find	THX	100/100ths	Granted 23/03/93
P59/1375	Fields Find	THX	100/100ths	Granted 21/02/95
P59/1377	Fields Find	THX	100/100ths	Granted 21/02/95
P59/1378	Fields Find	THX	100/100ths	Granted 21/02/95
P59/1379	Fields Find	THX	100/100ths	Granted 21/02/95
P59/1380	Fields Find	THX	100/100ths	Granted 21/02/95
P59/1381	Fields Find	THX	100/100ths	Granted 21/02/95
P59/1382	Fields Find	THX	100/100ths	Granted 21/02/95
P59/1383	Fields Find	THX	100/100ths	Granted 21/02/95
P59/1384	Fields Find	THX	100/100ths	Granted 21/02/95
MLA59/456	Fields Find	THX	100/100ths	Pending (marked out 20/03/97)
MLA59/519	Fields Find	THX	100/100ths	Pending (marked out 17/02/99)
MLA59/520	Fields Find	THX	100/100ths	Pending (marked out 17/02/99)
E59/848	E-Jeelong	THX	100/100ths	Granted 21/09/98
ELA59/882	E-Jeelong	FXL	100/100ths	Pending (applied 22/06/98)
E59/723	Warriedar	THX	100/100ths	Granted 16/01/97
E59/849	Warriedar	THX	100/100ths	Granted 21/01/00
E59/850	Warriedar	THX	100/100ths	Granted 15/12/99
E59/887	Warriedar	FXL	100/100ths	Pending (applied 28/07/98)
E59/888	Warriedar	FXL	100/100ths	Pending (applied 28/07/98)
E59/935	Warriedar	FXL	100/100ths	Pending (applied 28/01/99)
EASTERN GOLDFIELDS				
ELA16/175	Dayhurst	FXL	100/100ths (applied 13/02/98)	Pending

Key to Tenement Type:

E	=	Exploration License
ELA	=	Exploration License Application
L	=	Miscellaneous License
M	=	Mining Lease
MLA	=	Mining Lease Application
P	=	Prospecting License
PLA	=	Prospecting License Application

Key to Parties:

Attgold	=	Attgold Pty Ltd
CWG	=	Central West Gold
FXL	=	FutureXone Limited (formerly Resource Exploration Ltd)
RRM	=	Ragged Range Mining Pty Ltd
THX	=	Thundelarra Exploration Limited
KMN	=	Kimberley Mining NL

THUNDELARRA EXPLORATION LTD

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NOTICE OF ANNUAL GENERAL MEETING OF MEMBERS

NOTICE is hereby given that the Annual General Meeting of the Members of **Thundelarra Exploration Ltd.** (the "**Company**") will be held at the **QV1 Building, Function Room, Level 2, 250 St. George's Terrace, Perth, Australia**, on **15 February 2002** at the hour of **10:00 a.m. (Western Australian time)** in the forenoon (the "**Meeting**") for the following purposes:

1. **TO** receive and consider the Report of the Directors.
2. **TO** receive and consider the audited financial statements of the Company for the fiscal period ended September 30, 2001, together with the Auditor's report thereon.
3. **TO** appoint an Auditor of the Company for the ensuing year; **AND FURTHER TO** authorize the directors of the Company to fix the remuneration to be paid to the Auditor.
4. **TO** fix the number of directors of the Company for the ensuing year at seven (7) persons; **AND FURTHER TO** authorize the Board of Directors, in its discretion, to appoint from time to time, additional directors to hold office until the next annual general meeting of the Company, or until their successors are appointed in accordance with the *Yukon Business Corporations Act* and the Company's Articles of Continuance.
5. **TO** consider and, if thought fit, to approve an ordinary resolution that, Mr. Philip Crabb, being a director of the Company who retires in accordance the *Yukon Business Corporations Act* and, being eligible, offers himself for re-election, be re-elected as a director of the Company for the ensuing year to hold office until the next annual general election of directors, or until his successor is elected or appointed in accordance with the *Yukon Business Corporations Act* and the Company's Articles of Continuance.
6. **TO** consider and, if thought fit, to approve an ordinary resolution that, Mr. Rick Crabb, being a director of the Company who retires in accordance with Rule 14.4 of the Listing Rules of Australian Stock Exchange Limited and in accordance with the *Yukon Business Corporations Act* and, being eligible, offers himself for re-election, be re-elected as a director of the Company for the ensuing year to hold office until the next annual general election of directors, or until his successor is elected or appointed in accordance with the *Yukon Business Corporations Act* and the Company's Articles of Continuance.
7. **TO** consider and, if thought fit, to approve an ordinary resolution that, Mr. Frank De Marte, being a director of the Company who retires in accordance with Rule 14.4 of the Listing Rules of Australian Stock Exchange Limited and in accordance with the *Yukon Business Corporations Act* and, being eligible, offers himself for re-election, be re-elected as a director of the Company for the ensuing year to hold office until the next annual general election of directors, or until his successor is elected or appointed in accordance with the *Yukon Business Corporations Act* and the Company's Articles of Continuance.
8. **TO** consider and, if thought fit, to approve an ordinary resolution that, Mr. Brian Richardson, being a director of the Company who retires in accordance with Rule 14.4 of the Listing Rules of Australian Stock Exchange Limited and in accordance with the *Yukon Business Corporations Act* and, being eligible, offers himself for re-election, be re-elected as a director of the Company for the ensuing year to hold office until the next annual general election of directors, or until his successor is elected or appointed in accordance with the *Yukon Business Corporations Act* and the Company's Articles of Continuance.
9. **TO** consider and, if thought fit, to approve an ordinary resolution that, Mr. Malcolm Randall, being a director of the Company who retires in accordance with Rule 14.4 of the Listing Rules of Australian Stock Exchange Limited and in accordance with the *Yukon Business Corporations Act* and, being eligible, offers himself for re-election, be re-elected as a director of the Company for the ensuing year to hold office until the next annual general election of directors, or until his successor is elected or appointed in accordance with the *Yukon Business Corporations Act* and the Company's Articles of Continuance.
10. **TO** consider and, if thought fit, to approve an ordinary resolution that, Mr. Jeremy Caddy, being a director of the Company who retires in accordance with the *Yukon Business Corporations Act* and, being eligible, offers himself for re-election, be re-elected as a director of the Company for the ensuing year to hold office until the next annual general election of directors, or until his successor is elected or appointed in accordance with the *Yukon Business Corporations Act* and the Company's Articles of Continuance.
11. **TO** consider and, if thought fit, to approve an ordinary resolution that, Mr. Ross Glanville, being a director of the Company who retires in accordance with the *Yukon Business Corporations Act* and, being eligible, offers himself for re-election, be re-elected as a director of the Company for the ensuing year to hold office until the next annual general election of directors, or until his successor is elected or appointed in accordance with the *Yukon Business Corporations Act* and the Company's Articles of Continuance.
12. **TO** consider and, if thought fit, to approve an ordinary resolution pursuant to and in accordance with Rule 10.11 of the Listing Rules of Australian Stock Exchange Limited and for all other purposes, the Company approves and authorizes the Directors to:
 - (a) grant to Mr. Philip Crabb (or his nominee or nominees) four hundred and fifty thousand (450,000) options exercisable at A\$0.50 each on the terms and conditions set out in the Information Circular accompanying this Notice of Meeting; and
 - (b) issue up to four hundred and fifty thousand (450,000) shares to Mr. Philip Crabb (or his nominee or nominees) upon the exercise of the options referred to in paragraph (a).

The Company will disregard any votes cast on Resolution 12 by Mr. Philip Crabb and any associate of Mr. Philip Crabb. However, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by a person whilst chairing the meeting, as proxy for a person who is entitled to vote, in accordance with the direction of the proxy form to vote as the proxy decides.



NOTICE OF ANNUAL GENERAL MEETING OF MEMBERS (continued)

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13. **TO** consider and, if thought fit, to approve an ordinary resolution pursuant to and in accordance with Rule 10.11 of the Listing Rules of Australian Stock Exchange Limited and for all other purposes, the Company approves and authorizes the Directors to:
- (a) grant to Mr. Frank DeMarte (or his nominee or nominees) five hundred and fifty thousand (550,000) options exercisable at A\$0.50 each on the terms and conditions set out in the Information Circular accompanying this Notice of Meeting; and
 - (b) issue up to five hundred and fifty thousand (550,000) shares to Mr. Frank DeMarte (or his nominee or nominees) upon the exercise of the options referred to in paragraph (a).

The Company will disregard any votes cast on Resolution 13 by Mr. Frank DeMarte and any associate of Mr. Frank DeMarte. However, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by a person whilst chairing the meeting, as proxy for a person who is entitled to vote, in accordance with the direction of the proxy form to vote as the proxy decides.

14. **TO** consider and, if thought fit, to approve an ordinary resolution pursuant to and in accordance with Rule 10.11 of the Listing Rules of Australian Stock Exchange Limited and for all other purposes, the Company approves and authorizes the Directors to:
- (a) grant to Mr. Jeremy Caddy (or his nominee or nominees) two hundred thousand (200,000) options exercisable at A\$0.50 each on the terms and conditions set out in the Information Circular accompanying this Notice of Meeting; and
 - (b) issue up to two hundred thousand (200,000) shares to Mr. Jeremy Caddy (or his nominee or nominees) upon the exercise of the options referred to in paragraph (a).

The Company will disregard any votes cast on Resolution 14 by Mr. Jeremy Caddy and any associate of Mr. Jeremy Caddy. However, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by a person whilst chairing the meeting, as proxy for a person who is entitled to vote, in accordance with the direction of the proxy form to vote as the proxy decides.

15. **TO** consider and, if thought fit, to approve an ordinary resolution pursuant to and in accordance with Rule 10.11 of the Listing Rules of Australian Stock Exchange Limited and for all other purposes, the Company approves and authorizes the Directors to:
- (a) grant to Mr. Brian Richardson (or his nominee or nominees) one hundred and fifty thousand (150,000) options exercisable at A\$0.50 each on the terms and conditions set out in the Information Circular accompanying this Notice of Meeting; and
 - (b) issue up to one hundred and fifty thousand (150,000) shares to Mr. Brian Richardson (or his nominee or nominees) upon the exercise of the options referred to in paragraph (a).

The Company will disregard any votes cast on Resolution 15 by Mr. Brian Richardson and any associate of Mr. Brian Richardson. However, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by a person whilst chairing the meeting, as proxy for a person who is entitled to vote, in accordance with the direction of the proxy form to vote as the proxy decides.

16. **TO** consider and, if thought fit, to approve an ordinary resolution pursuant to and in accordance with Rule 10.11 of the Listing Rules of Australian Stock Exchange Limited and for all other purposes, the Company approves and authorizes the Directors to:
- (a) grant to Mr. Ross Glanville (or his nominee or nominees) one hundred thousand (100,000) options exercisable at A\$0.50 each on the terms and conditions set out in the Information Circular accompanying this Notice of Meeting; and
 - (b) issue up to one hundred thousand (100,000) shares to Mr. Ross Glanville (or his nominee or nominees) upon the exercise of the options referred to in paragraph (a).

The Company will disregard any votes cast on Resolution 16 by Mr. Ross Glanville and any associate of Mr. Ross Glanville. However, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by a person whilst chairing the meeting, as proxy for a person who is entitled to vote, in accordance with the direction of the proxy form to vote as the proxy decides.

17. **TO** consider and, if thought fit, to approve an ordinary resolution pursuant to and in accordance with Rule 10.11 of the Listing Rules of Australian Stock Exchange Limited and for all other purposes, the Company approves and authorizes the Directors to:
- (a) grant to Mr. Rick Crabb (or his nominee or nominees) one hundred thousand (100,000) options exercisable at A\$0.50 each on the terms and conditions set out in the Information Circular accompanying this Notice of Meeting; and
 - (b) issue up to one hundred thousand (100,000) shares to Mr. Rick Crabb (or his nominee or nominees) upon the exercise of the options referred to in paragraph (a).



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NOTICE OF ANNUAL GENERAL MEETING OF MEMBERS (continued)

The Company will disregard any votes cast on Resolution 17 by Mr. Rick Crabb and any associate of Mr. Rick Crabb. However, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by a person whilst chairing the meeting, as proxy for a person who is entitled to vote, in accordance with the direction of the proxy form to vote as the proxy decides.

18. **TO** consider and, if thought fit, to approve an ordinary resolution pursuant to and in accordance with Rule 10.11 of the Listing Rules of Australian Stock Exchange Limited and for all other purposes, the Company approves and authorizes the Directors to:
- grant to Mr. Malcolm Randall (or his nominee or nominees) one hundred thousand (100,000) options exercisable at A\$0.50 each on the terms and conditions set out in the Information Circular accompanying this Notice of Meeting; and
 - issue up to one hundred thousand (100,000) shares to Mr. Malcolm Randall (or his nominee or nominees) upon the exercise of the options referred to in paragraph (a).

The Company will disregard any votes cast on Resolution 18 by Mr. Malcolm Randall and any associate of Mr. Malcolm Randall. However, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by a person whilst chairing the meeting, as proxy for a person who is entitled to vote, in accordance with the direction of the proxy form to vote as the proxy decides.

19. **TO** consider and, if thought fit, to approve an ordinary resolution pursuant to and in accordance with Rule 7.1 of the Listing Rules of Australian Stock Exchange Limited and for all other purposes, the Company approves and authorizes the Directors to grant to employees of the Company up to three hundred and twenty five thousand (325,000) options exercisable at A\$0.50 each on the terms and conditions set out in the Information Circular accompanying this Notice of Meeting.

The Company will disregard any votes cast on Resolution 19 by a person who may participate in the proposed issue the subject of Resolution 19 and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if Resolution 19 is passed and any associate of those persons. However, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by a person whilst chairing the meeting, as proxy for a person who is entitled to vote, in accordance with the direction of the proxy form to vote as the proxy decides.

20. **TO** consider and, if thought fit, to approve an ordinary resolution that pursuant to and in accordance with Rule 10.17 of the Listing Rules of Australian Stock Exchange Limited and for all other purposes, the fees payable by the Company, in aggregate, to the non-executive directors of the Company be set at A\$100,000 per annum in total.

The Company will disregard any votes cast on Resolution 20 by a director of the Company and any associate of a director of the Company. However, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by a person whilst chairing the meeting, as proxy for a person who is entitled to vote, in accordance with the direction of the proxy form to vote as the proxy decides.

21. **TO**, consider and, if thought fit, to approve an ordinary resolution that, the Company approves and authorises the Directors to amend four hundred and fifty thousand (450,000) options exercisable at CDN\$0.30 each on or before 21 March 2002 and four hundred thousand (400,000) options exercisable at CDN\$0.23 each on or before 7 December 2002 on the terms and conditions set out in the Information Circular accompanying this Notice of Meeting.
22. **TO**, consider and, if thought fit, to approve an ordinary resolution that, the Company hereby ratifies the previous grant of five hundred thousand (500,000) options exercisable at CDN\$0.23 each on or before 7 December 2002.
23. **TO** consider and, if thought fit, to approve an ordinary resolution that, for the purposes of Rule 7.4 of the Listing Rules of Australian Stock Exchange Limited and all other purposes, the Company hereby ratifies the previous issue of four hundred and forty thousand (440,000) common shares at an issue price of CDN\$0.20 each to Messrs Richardson, Attwell and Randall pursuant to the exercise of options held by those persons on 31 October 2001 and otherwise on the terms and conditions set out in the Information Circular accompanying this Notice of Meeting.

The Company will disregard any votes cast on Resolution 23 by Messrs. Richardson, Attwell and Randall and any associate of Messrs. Richardson, Attwell and Randall unless the vote is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.



**NOTICE OF ANNUAL GENERAL MEETING
OF MEMBERS (continued)**

24. **TO** consider and, if thought fit, to approve an ordinary resolution that, for the purposes of Rule 7.4 of the Listing Rules of Australian Stock Exchange Limited and all other purposes, the Company hereby ratifies the previous issue of two million (2,000,000) common shares at a deemed issue price of CDN\$0.25 each to Messrs Richardson and Attwell in consideration for the acquisition of Magmatic Metals Ltd and otherwise on the terms and conditions set out in the Information Circular accompanying this Notice of Meeting.

The Company will disregard any votes cast on Resolution 24 by Messrs. Richardson and Attwell and any associate of Messrs. Richardson and Attwell unless the vote is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

25. **TO** approve the actions of the Directors and Officers carried out on behalf of the Company during the preceding year.

TO transact such other business as may be properly transacted at the Annual General Meeting or at any adjournment thereof.

All of the above matters are more fully described in the accompanying Information Circular.

Members of record on the Company's books at the close of business on **4 January 2002** are entitled to notice of and to vote at the Meeting or at any postponement or adjournment thereof. One (1) Member present in person or represented by proxy, holding not less than one (1) common share, constitutes a quorum for the conduct of business at the Meeting. All proposed resolutions require approval by a majority of the Company's stock voted. Pursuant to the Company's governing documents, each share of stock is entitled to one (1) vote.

If you are unable to attend the Meeting in person, please read the Notes accompanying the Instrument of Proxy enclosed herewith and then complete and return the Instrument of Proxy within the time set out in the Notes. As set out in the Notes, the enclosed Instrument of Proxy is solicited by Management, but you may amend it if you so desire by striking out the names listed therein and inserting in the space provided the name of the person you wish to represent you at the Meeting. **WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, PLEASE COMPLETE, DATE, SIGN AND RETURN THE ENCLOSED INSTRUMENT OF PROXY. IF YOU ATTEND THE MEETING, YOU MAY VOTE IN PERSON IF YOU WISH TO DO SO, EVEN THOUGH YOU HAVE SENT IN YOUR INSTRUMENT OF PROXY.**

PLEASE NOTE that if you are a CDI holder rather than a shareholder (that is if you have a CDI holding statement which permits you to trade on Australian Stock Exchange Limited rather than a share certificate), you are invited to attend the Meeting however, you cannot vote personally at the Meeting. If you are a CDI holder and you wish to vote personally, you must convert you CDIs into shares in sufficient time before the Meeting. Alternatively, if you are a CDI holder you can direct the depositary entity to cast proxy votes in accordance with your written directions. In order to do this, please complete and return the Notice of Direction enclosed herewith to direct the depositary entity to cast proxy votes in accordance with your written directions.

The Notice of Direction must be received by the Computershare Investor Services Pty Ltd at Level 2, 45 St Georges Terrace, Perth, Western Australia or GPO Box D182, Perth, Western Australia, 6840 **BY NOT LATER THAN 96 HOURS BEFORE THE MEETING, ie. 10.00AM (WESTERN AUSTRALIAN TIME) 11 FEBRUARY 2002.**

DATED at Vancouver, British Columbia, on the 4th day of January, 2002.

BY ORDER OF THE BOARD

Jeremy Caddy
Chief Executive Officer and Director

THUNDELARRA EXPLORATION LTD

ARBN 085 782 994

FOR THE
ANNUAL GENERAL MEETING
TO BE HELD ON 15 FEBRUARY 2002

INFORMATION CIRCULAR

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by the Management of **Thundelarra Exploration Ltd.** (the "**Company**") for use at the Annual General Meeting (the "**Meeting**") of the Members of the Company to be held at the time and place and for the purposes set forth in the accompanying Notice of Annual General Meeting of Members, and at any adjournment thereof. The solicitation will be by mail and possibly supplemented by telephone or other personal contact to be made without special compensation by regular officers and employees of the Company. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company. The Company does not reimburse Members, nominees or agents for the cost incurred in obtaining from their principals authorisation to execute instruments of proxy.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the accompanying Instrument of Proxy (the "Proxy") are directors of the Company. A MEMBER HAS THE RIGHT TO APPOINT A PERSON TO ATTEND AND ACT FOR HIM/HER/IT ON HIS/HER/ITS BEHALF AT THE MEETING OTHER THAN THE PERSONS NAMED IN THE ENCLOSED PROXY. TO EXERCISE THIS RIGHT, A MEMBER SHALL STRIKE OUT THE NAMES OF THE PERSONS NAMED IN THE PROXY AND INSERT THE NAME OF HIS/HER/ITS NOMINEE IN THE BLANK SPACE PROVIDED OR COMPLETE ANOTHER PROXY. THE COMPLETED PROXY SHOULD BE DEPOSITED WITH THE COMPANY'S REGISTRAR AND TRANSFER AGENT, COMPUTERSHARE TRUST COMPANY OF CANADA, SUITE 408, 510 BURRARD STREET, VANCOUVER, BRITISH COLUMBIA, CANADA V6C 3B9, OR WITH THE REGISTERED OFFICE OF THE COMPANY AT SUITE 501, TERMINAL CITY CLUB TOWER, 837 WEST HASTINGS STREET, VANCOUVER, BRITISH COLUMBIA, V6C 3N6 ("REGISTERED OFFICE") AT LEAST 48 HOURS BEFORE THE TIME OF THE MEETING, IE. 10.00AM (WESTERN AUSTRALIAN TIME) 13 FEBRUARY 2002 OR ADJOURNMENT THEREOF.

The Proxy must be signed by the Member or by his/her/its attorney in writing, or, if the Member is a corporation, it must either be under its common seal or signed by a duly authorised officer.

A Member who has given a Proxy may revoke it at any time before it is exercised. In addition to revocation in any other manner permitted by law, a Proxy may be revoked by instrument in writing executed by the Member or by his/her attorney authorised in writing or, if the Member is a corporation, it must either be under its common seal or signed by a duly authorised officer and deposited with either the Registered Office or Computershare Trust Company of Canada at their addresses set out herein at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of it, at which the Proxy is to be used or to the Chairman of the Meeting on the day of the Meeting or any adjournment of it.

VOTING OF SHARES AND EXERCISE OF DISCRETION OF PROXIES

THE SHARES REPRESENTED BY PROXY WILL BE VOTED OR WITHHELD FROM VOTING BY THE PROXY HOLDER IN ACCORDANCE WITH THE INSTRUCTIONS OF THE MEMBER ON ANY BALLOT THAT MAY BE CALLED FOR AND, IF THE MEMBER SPECIFIES A CHOICE WITH RESPECT TO ANY MATTER TO BE ACTED UPON, THE SHARES WILL BE VOTED ACCORDINGLY.

IN THE ABSENCE OF ANY INSTRUCTION IN THE PROXY, IT IS INTENDED THAT SUCH SHARES WILL BE VOTED IN FAVOUR OF THE MOTIONS PROPOSED TO BE MADE AT THE MEETING AS STATED UNDER THE HEADINGS IN THIS INFORMATION CIRCULAR. The enclosed Proxy, when properly signed, confers discretionary authority with respect to amendments or variations to the matters which may properly be brought before the Meeting. At the time of printing this Information Circular, Management of the Company is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters which are not now known to Management should properly come before the Meeting, the Proxies hereby solicited will be exercised on such matters in accordance with the best judgement of the nominee.

CDI HOLDERS

If you are a CDI holder (that is if you have a CDI holding statement which permits you to trade on Australian Stock Exchange Limited rather than a share certificate), you are invited to attend the Meeting however, you cannot vote personally at the Meeting nor may you complete the enclosed Proxy. If you are a CDI holder and you wish to vote personally, you must convert your CDI's into shares in sufficient time before the Meeting.

HOWEVER, A CDI HOLDER HAS THE RIGHT TO DIRECT CHESSE DEPOSITARY NOMINEES PTY LTD TO CAST PROXY VOTES IN ACCORDANCE WITH THE CDI HOLDER'S WRITTEN DIRECTIONS. IF YOU ARE A CDI HOLDER AND YOU WISH TO DIRECT THE DEPOSITARY ENTITY TO CAST PROXY VOTES IN ACCORDANCE WITH YOUR WRITTEN DIRECTIONS, PLEASE COMPLETE AND RETURN THE NOTICE OF DIRECTION ENCLOSED HERewith. THE COMPLETED NOTICE OF DIRECTION SHOULD BE DEPOSITED WITH THE COMPANY'S SHARE REGISTRAR, COMPUTERSHARE INVESTOR SERVICES PTY LTD, LEVEL 2, 45 ST GEORGES TERRACE, PERTH, WESTERN AUSTRALIA OR GPO BOX D182, PERTH, WESTERN AUSTRALIA, 6840 AT LEAST 96 HOURS BEFORE THE TIME OF THE MEETING, IE. 10.00AM (WESTERN AUSTRALIAN TIME) 11 FEBRUARY 2002 OR ADJOURNMENT THEREOF.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The authorised capital of the Company consists of three hundred million (300,000,000) shares divided into:

- (a) 100,000,000 common shares without par value;
- (b) 100,000,000 Class "A" preference shares; and
- (c) 100,000,000 Class "B" preference shares.

As of January 4, 2002 and the date hereof, 40,820,539 common shares of the Company are issued and outstanding, each share carrying the right to one vote. Only those Members of record on January 4, 2002 holding common shares shall be entitled to vote at the forthcoming Meeting or any adjournment thereof in person or by Proxy. No preference shares are issued or outstanding as of the date hereof.

To the knowledge of the directors and senior officers of the Company ⁽¹⁾, only the following own, directly or indirectly, or exercise control or discretion over, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company:

Name of Member	Number of Shares	Percentage of Issued and Outstanding
Ragged Range Mining Pty. Ltd & Associates ⁽²⁾	13,793,101	33.78%
CDS & Co. ⁽³⁾	6,978,869	17.10%

Notes:

- (1) the above information was supplied by Computershare Trust Company of Canada and management of the Company.
- (2) the shareholders of Ragged Range Mining Pty Ltd are Philip Crabb, a director and officer of the Company, June Crabb, Rick Crabb and Midland Mines Pty. Ltd., a company controlled by Philip Crabb.
- (3) Management of the Company is unaware of the beneficial owners of the shares registered in the name of CDS & Co.

INFORMATION CONCERNING NOMINEES SUBMITTED BY MANAGEMENT

Nominees

The following information concerning the respective directors have been furnished by each of them, all of which management of the Company proposes to nominate for election as directors of the Company at the Meeting. Reference is also made to the heading "Particulars of Matters to be Acted Upon", specifically refer to the sub-heading "Election of Directors" for additional information:

Name, Municipality of Ordinary Residence and Other Positions, if any, held with the Company	Date Director Was Appointed to the Board	Number of Shares Beneficially Owned Directly or Indirectly ⁽¹⁾	Principal Occupation
Jeremy Caddy BSc, CEng, FIMM London, England Chief Executive Officer and Director	March, 1996	105,042 ⁽²⁾ 24,000 ⁽¹¹⁾ Options: 100,000 ⁽⁷⁾ Warrants: 200,000 ⁽¹²⁾	Mining Consultant
Philip Crabb FAusIMM, MAICD West Leederville, Western Australia President and Director	November, 1998	200,000 ⁽²⁾ 13,793,101 ⁽³⁾ Options: 450,000 ⁽⁴⁾ Warrants: 215,000 ⁽⁵⁾	Director
Frank De Marte B.Bus, FCIS, MAICD Dianella, Western Australia Chief Financial Officer and Director	April 30, 2001	375,000 ⁽²⁾ 1,144,000 ⁽⁶⁾ Options: 100,000 ⁽⁷⁾ Warrants: 300,000 ⁽⁸⁾	Accountant
Ross Glanville B.A.Sc., P.Eng., M.B.A., C.G.A. Burnaby, British Columbia Director	November, 1998	0 ⁽²⁾ Options: 100,000 ⁽⁷⁾	Consulting Engineer

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Name, Municipality of Ordinary Residence and Other Positions, if any, held with the Company	Date Director Was Appointed to the Board	Number of Shares Beneficially Owned Directly or Indirectly ⁽¹⁾	Principal Occupation
Brian Richardson B.Sc (Hons), MAusIMM Kalamunda, Western Australia Director	October 9, 2001	1,160,000 ⁽²⁾	Geologist
Malcolm Randall B.Applied Chem Subiaco, Western Australia Director	October 9, 2001	190,000 ⁽²⁾	Director
Rick Crabb B.Juris (Hons), LLB, MBA Duncraig, Western Australia Director	October 9, 2001	1,110,000 ⁽⁹⁾ Warrants: 1,000,000 ⁽¹⁰⁾	Solicitor

Notes:

- (1) The information as to shares beneficially owned or over which a director exercises control or direction, not being within the knowledge of the Company, has been furnished by the respective Directors individually.
- (2) Shares held directly.
- (3) Of these shares, 677,000 are registered in the name of Darkdale Pty Ltd ATF The Darkdale Trust and 2,498,161 are registered in the name of Ioma Pty. Ltd ATF The Gemini Trust, companies in which Mr. Crabb has an interest. Further, 10,418,000 are registered in the name of Ragged Range Mining Pty. Ltd., a company in which Mr. Crabb is a principal.
- (4) Options granted March 21, 2000, exercisable at CDN.\$0.30 until March 21, 2002.
- (5) Warrant issued to Ioma Pty Ltd, a company in which Mr. Crabb has an interest. The warrant is exercisable at CDN. \$0.33 per share until August 9, 2002.
- (6) Of these shares, 927,000 are registered in the name of The DeMarte Family Trust, 210,500 are registered in The DeMarte Family Superannuation Fund, and 6,500 are registered in Grandear Holdings Pty Ltd, a company in which Mr DeMarte has an interest.
- (7) Options granted December 7, 2000, exercisable at CDN. \$0.23 each until December 7, 2002.
- (8) Warrant issued to Mt Alice Investments Pty Ltd, a company which Mr DeMarte has an interest. The warrant is exercisable at CDN. \$0.33 per share until August 9, 2002.
- (9) Of these shares, 720,000 are registered in the name of The Intermax Trust and 390,000 are registered in the name of Westessa Holdings Pty Ltd, a company in which Mr R Crabb has an interest.
- (10) Warrant issued to Westessa Holdings Pty Ltd, a company in which Mr R Crabb has an interest. The warrant is exercisable at CDN. \$0.33 per share until August 9, 2002.
- (11) These shares are registered in the name of Sahib Holdings Pty Ltd, a company of which Mr Caddy is a principal.
- (12) The warrant is exercisable at CDN. \$0.33 per share until August 9, 2002.

Employment During the Past Five Years

Unless otherwise stated, each of the below-named nominees has held the principal occupation or employment indicated for the past five years.

Philip Crabb

Mr. Crabb is a Fellow of the Australasian Institute of Mining and Metallurgy and Institute of Company Directors. Mr. Crabb has been actively engaged in mineral exploration and mining activities for the past thirty (30) years in both publicly listed and private exploration companies. He has considerable experience in field activities, having been a drilling contractor, quarry manager and mining contractor. Mr. Crabb also has extensive experience with Australian publicly listed companies. Mr. Crabb is also a director of Gemini Mining Pty. Ltd., a gold producer in Western Australia.

Jeremy Caddy

Mr. Caddy graduated as a mining engineer from the Royal School of Mines, London and has over three decades of experience in the mining industry. Mr. Caddy is a member of the Institute of Professional Engineers (U.K.) and the Institution of Mining & Metallurgy (U.K.). Through his personal company, Jeremy Caddy Associates, Mr. Caddy specialises in restructuring mining companies and locating financing for their growth. Mr. Caddy is also a director and officer of Quattro Resources Ltd. and an officer of President Mines Ltd. His past experience includes four years in Broken Hill, Australia with Consolidated Zinc Corporation (now Rio Tinto), followed by five years with consultants Kenneth McMahon & Partners of Sydney, Australia and three years in Malaysia serving as the CEO of a mining investment firm. During his eleven years in Singapore, Mr. Caddy acted as an independent business consultant for both resource and industrial concerns. Until recently, he was Chairman of G Four Limited, a British firm providing corporate finance advisory services to junior mining companies.

Frank DeMarte

Mr. DeMarte has over sixteen (16) years of experience in the mining and exploration industry in Western Australia. Mr. DeMarte has held executive positions with a number of listed mining and exploration companies and is currently an executive director and Chief Financial Officer of the Company.

Mr. DeMarte is experienced in areas of secretarial practice, management accounting and corporate and financial management. Mr. DeMarte holds a Bachelor of Business majoring in Accounting and is a Fellow of the Chartered Secretaries of Australia.

Ross Glanville

Mr. Glanville is the President of Ross Glanville & Associates Ltd., a company specialising in valuations of mining companies and exploration properties. Mr. Glanville has thirty (30) years of experience in exploration, mining, finance, marketing and management with senior executive positions in major and junior mining companies. Mr. Glanville has valued exploration and mining properties located throughout the world, including Canada, the United States, Australia, Mexico, Europe, Asia, South America and Africa. Mr. Glanville has been on the boards of directors of three companies with producing mines. Mr. Glanville is also presently a director of Archon Minerals Ltd., a diamond exploration and development company and Jersey Petroleum Inc. (formerly Jersey Goldfields Corporation). Mr. Glanville has also acted as an expert witness in court cases and assessment appeal board hearings in both Canada and the United States and for regulatory authorities. Mr. Glanville has provided a large number of valuations and fairness opinions for mergers, amalgamations and acquisitions of public and private mining and exploration companies. These assignments have been undertaken for mining companies, investment dealers, regulatory authorities, governments, banks, legal firms and accounting groups, amongst others. Within the last five (5) years, Mr. Glanville was also a director and officer of Ecstall Mining Ltd., a Canadian Venture Exchange listed company.

Brian Richardson

Mr. Richardson has over twenty (20) years of experience in the mining industry in Western Australia and the Northern Territory. He was Exploration Manager of Miralga Mining NL and involved in the early exploration of Sulphur Springs base metals – gold project. He was also involved in the generation of various projects for Gasgoyne Gold Mines NL. In this role he discovered the Southern Star Mine in 1994/95. From 1997 through to 2000 he was the Managing Director of Resource Exploration NL (now FutureXone Limited) an Australian listed junior exploration company.

Malcolm Randall

Mr. Randall has had extensive experience in management and marketing in the resource sector with the Rio Tinto group of companies. This has included senior technical and commercial roles in Hamersley Iron Pty Ltd and business development activities for Argyle Diamonds in China, Thailand and India and establishment of Argyle's Antwerp sales office for polished stones. From 1993 to 1996 he was Managing Director of Biron Corporation following which he has undertaken consultancy roles for Ocean Resources NL for the first diamond Contract of Work awarded in Indonesia, consultant to Golden Tiger Resources NL on their Vietnamese mineral opportunities and commercial advisor to the Hope Downs Iron Ore Project. Mr. Randall is also a director of Titan Resources NL.

Rick Crabb

Mr. Rick Crabb is a solicitor and is a partner with the law firm Blakiston & Crabb. He holds a Bachelor of Jurisprudence (Hons), Bachelor of Laws and Master of Business Administration from the University of Western Australia. Mr. Rick Crabb specializes in mining, corporate and commercial law and has extensive Australian and overseas experience in legal issues arising in resource development including contract negotiation and financing. Mr. Rick Crabb is a director of investment bank, Chatsworth Stirling Pty Ltd and is also a director of listed companies Paladin Resources Limited, ST Synergy Limited, Menzies Court Holdings Limited, Ashburton Minerals Limited and Alcaston Mining NL.

Audit Committee

Pursuant to the Business Corporations Act (Yukon) the Company is required to elect an Audit Committee comprised of not fewer than three directors, of whom a majority shall not be officers or employees of the Company or an affiliate of the Company. The Audit Committee's functions are to monitor overall adherence to Company policy, the effectiveness of the Company's internal audit personnel and their audit activities and to meet with the Company's accountants and auditors on financial and audit matters, as appropriate. Presently, Messrs. Caddy, Glanville and DeMarte are members of the Company's Audit Committee. At the directors' meeting to be held immediately following the Meeting, the Company's then Board of Directors will appoint an Audit Committee for the ensuing year.

STATEMENT OF EXECUTIVE COMPENSATION

The Company's fiscal year end is the last day of September in each calendar year.

Pursuant to Form 41 of the Regulation to the British Columbia Securities Act, R.S.B.C. 1996, c. 418 (the "Securities Act"), the Company is a "small business issuer", which is defined as a company that:

- had revenues of less than CDN. \$25,000,000 in its last completed financial year;
- is not a non-redeemable investment fund or mutual fund;
- has a public float of less than CDN. \$25,000,000; and
- if it is a subsidiary of another company, that other company is also a small business issuer.

For the purpose of this Information Circular:

"executive officer" of the Company means an individual who at the time during the year was the chairman or vice-chairman of the board of directors, where such person performed the functions of such office on a full-time basis, the president, any vice-president in charge of a principal business unit such as sales, finance or production, or any officer of the Company or of its subsidiary or other person who performed a policy-making function in respect of the Company;

"equity security" means securities of a company that carry a residual right to participate in earnings of that company and, upon liquidation or winding up of that company, its assets;

"Option" means all options, share purchase warrants and rights granted by a company or any of its subsidiaries (if any) as compensation for services rendered or otherwise in connection with office or employment.

"Public Float" means the aggregate of the market value of each class of equity securities of a company, excluding securities that are beneficially owned, directly or indirectly, or over which control or direction is exercised by persons or companies that alone, or together with their respective associates and affiliates, beneficially own or exercise control or direction over more than 10% of the issued and outstanding equity securities of a company.

"LTIP" means a long-term incentive plan, which is any plan providing compensation intended to serve as incentive for performance to occur over a period longer than one financial year, whether the performance is measured by reference to financial performance of the company or an affiliate of the company, the price for the company's securities, or any other measure, but does not include option or SAR plans or plans for compensation through restricted shares or restricted share units.

"SAR" means a stock appreciation right, which is a right, granted by a company or any of its subsidiaries (if any) as compensation for services rendered or otherwise in connection with office or employment, to receive a payment of cash or an issue or transfer of securities based wholly or in part on changes in the trading price of publicly traded securities.

Named Executive Officers

The Company has three Named Executive Officers, being Mr. Philip Crabb the Chief Executive Officer, Mr. Jeremy Caddy, the President and the Company has also designated Mr. Frank DeMarte a Named Executive Officer for his role as Chief Financial Officer.

The following table is a summary of the compensation paid to the chief executive officer of the Company and each executive officer who earned over CDN. \$100,000 in total salary and bonuses during the three (3) most recently completed financial years, for services rendered to the Company. In addition, the below table also sets for the compensation payable to the former Chairman of the Board, Mr. Kenneth McMahon.

SUMMARY COMPENSATION TABLE
(Quoted in Cdn \$)

Name and Principal Position	Year	Annual Compensation			Long Term Compensation			All Other Compensation (CDN\$)
		Salary (CDN\$)	Bonus (%)	Other Annual Compensation (CDN\$)	Awards		Payouts	
					Securities Under Options SAR's Granted ⁽¹⁾ (#)	Restricted Shares or Restricted Share Units (CDN\$)	LTIP Payouts (CDN\$)	
Phil Crabb President and Director	2001 2000 1999	None None None	None None None	\$66,965 ⁽¹¹⁾ None None	None 450,000 ⁽²⁾ 200,000 ⁽³⁾	N/A None None	N/A None None	N/A None None
Jeremy Caddy Chief Executive Officer and Director	2001 2000 1999	\$36,000 \$36,000 \$27,000	None None None	(4) (4) (4)	100,000 ⁽⁵⁾ None 400,000 ⁽⁶⁾	None None None	None None None	N/A N/A N/A
Frank DeMarte Chief Financial Officer and Director	2001 2000 1999	\$33,659 None None	None None None	None None None	100,000 ⁽⁷⁾ None 100,000 ⁽⁸⁾	None None None	None None None	N/A N/A N/A
Kenneth McMahon Former Chairman of the Board and Director ⁽⁹⁾	2001 2000 1999	NA N/A None	N/A N/A None	N/A N/A None	N/A N/A 200,000 ⁽¹⁰⁾	N/A N/A None	N/A N/A N/A	N/A N/A N/A

- (1) Figures represent stock option agreements granted during a particular year; refer to "Aggregate Option" table for the aggregate number of options outstanding.
- (2) Mr. Crabb was granted a stock option agreement on March 21, 2000 for the right to purchase up to 450,000 common shares at the exercisable at a price of CDN\$0.30 per share until March 21, 2002.
- (3) Mr. Crabb was granted a stock option agreement on December 18, 1998 for the right to purchase up to 250,000 common shares at the exercise price of CDN\$0.18 per share. Mr. Crabb exercised his option agreement in full on February 15, 2000.
- (4) Refer to the section entitled "Management Contracts" for information with respect to a management agreement entered into between the Company and Mr. Jeremy Caddy.
- (5) Mr. Caddy was granted a stock option agreement on December 7, 2000 for the right to purchase up to 100,000 common shares at the exercisable at a price of CDN\$0.23 per share until December 7, 2002.
- (6) Mr. Caddy was granted a stock option agreement on December 18, 1998 for the right to purchase up to 400,000 common shares at the exercisable at a price of CDN\$0.18 per share until December 18, 2000. Mr Caddy exercised his option agreement in full on December 8, 2000.
- (7) Mr. Frank DeMarte was granted a stock option agreement on December 7, 2000 for the right to purchase up to 100,000 common shares at the exercisable at a price of CDN\$0.23 per share until December 7, 2002.
- (8) Mr. Frank DeMarte was granted a stock option agreement on December 18, 1998 for the right to purchase up to 100,000 common shares at the exercisable at a price of CDN\$0.18 per share until December 18, 2000. Mr DeMarte exercised his option agreement in full on December 8, 2000.
- (9) Kenneth McMahon was the Chairman of the Company for the period November 30, 1998 to November 22, 1999.
- (10) Mr. Kenneth McMahon was granted and stock option agreement on December 18, 1999 for the right to purchase up to 200,000 common shares at the exercise price of CDN\$0.18 per share. Mr. McMahon exercised his option in full on December 15, 1999.
- (11) Administration fees paid to Gemini Mining Pty Ltd, a company of which Mr P Crabb is a director.

Long-Term Incentive Plans – Awards in most recently completed Financial Year

During its most recently completed financial year, the Company has not awarded or instituted any long-term incentive plans in favour of its Named Executive Officers.

Option/SAR Grants during the most recently completed Financial Year

During its most recently completed financial year, the following Options or SAR'S were granted in favour of the Company's Named Executive Officers:

Name	Securities Under Options/SARs Granted (#)	% of Total Options/SARs Granted to Employees in Financial Year	Exercise or Base Price (\$/Security)	Market Value of Securities Underlying Options/SARs on the Date of Grant (\$/Security)	Expiry Date
Jeremy Caddy	100,000	20%	CDN. \$0.23	Nil	December 7, 2002
Frank DeMarte	100,000	20%	CDN. \$0.23	Nil	December 7, 2002

Aggregate Option/SAR Exercises during the most recently completed Financial Year and Financial Year End Option/SAR Values

During its most recently completed financial year, no Options or SAR's were exercised by the Company's Named Executive Officers.

Termination of Employment, Change in Responsibilities and Employment Contracts

Other than as disclosed herein, there are no arrangements for compensation of the Named Executive Officers, or other Directors of the Company, in the event of termination of employment, changes in responsibilities and/or employment contracts, or in the event of Change of Control of the Company. Please refer to the heading entitled "Management Contracts" for information concerning a management agreement entered into between the Company and Mr. Jeremy Caddy and consulting agreements entered into with each of Messrs. Brian Richardson and Malcolm Randall.

COMPENSATION OF DIRECTORS

For the Company's most recently completed financial year end:

- (a) no compensation of any kind was accrued, owing or paid to any of the Company's Directors for acting in their capacity as such;
- (b) no arrangements of any kind existed with respect to the payment of compensation of any kind to any of the Company's Directors for acting in their capacity as such;
- (b) other than as referred to elsewhere in this Information Circular, no compensation of any kind was accrued, owing or paid to any of the Company's Directors for services rendered to the Company as consultants or experts; and
- (c) no arrangements of any kind existed with respect to the payment of compensation of any kind to any of the Company's Directors for services rendered, or proposed to be rendered, to the Company as consultants or experts.

Option/SAR Granted/Outstanding during the most recently completed Financial Year

During the financial year end, the following Options were granted in favour of its directors, not including the Named Executive Officers (refer to "Statement of Executive Compensation" under the sub-heading "Option/SAR Grants during the most recently completed Financial Year End" for particulars of Options granted to the Named Executive Officers):

Name	Securities Under Options/SARs Granted (#)	% of Total Options/SARs Granted to Employees in Financial Year	Exercise or Base Price (\$/Security)	Market Value of Securities Underlying Options/SARs on the Date of Grant (\$/Security)	Expiry Date
Ross Glanville	100,000	20%	CDN. \$0.23	Nil	December 7, 2002
Walter Plummer ⁽¹⁾	100,000	20%	CDN. \$0.23	Nil	December 7, 2002
Steven Sobolewski ⁽²⁾	100,000	20%	CDN. \$0.23	Nil	December 7, 2002

(1) Walter Plummer ceased to be a director of the Company effective July 27, 2001
 (2) Steven Sobolewski ceased to be a director of the Company effective July 30, 2001

Aggregate Option/SAR Exercises during the most recently completed Financial Year and Financial Year End Option/SAR Values

During the financial year end, the following Options or SAR's were exercised by the Directors of the Company.

Name	Securities Acquired on Exercise (#)	Aggregate Value Realized	Unexercised Options/SARs at Financial Year End (#) Exercisable/Unexercisable	Value of Unexercised in-the-Money Options/SARs at Financial Year End
Walter Plummer ⁽¹⁾	100,000	CDN. \$23,000 ⁽²⁾	Nil	N/A
Ian Adam ⁽³⁾	100,000	CDN. \$30,000 ⁽⁴⁾	Nil	N/A

- (1) Walter Plummer ceased to be a director of the Company effective July 27, 2001.
- (2) Walter Plummer exercised his option agreement, in full at the exercise price of CDN. \$0.23 per share on June 20, 2001. The shares of the Company did not trade on before June 20, 2001, however, the bid/ask was CDN. \$0.19-\$0.26.
- (3) Ian Adam ceased to be a director of the Company effective April 20, 2001.
- (4) Ian Adam exercised his option agreement, in full at the exercise price of CDN. \$0.30 per share, on March 19, 2001. The shares of the Company did not trade on November 1, 2001, however the bid/ask was CDN. \$0.21-\$0.25.

Subsequent to the financial year end, the following Options or SAR's were exercised by the Directors of the Company.

Name	Securities Acquired on Exercise (#)	Aggregate Value Realized	Unexercised Options/SARs at Financial Year End (#) Exercisable/Unexercisable	Value of Unexercised in-the-Money Options/SARs at Financial Year End (\$)
Brian Richardson ⁽¹⁾	150,000 ⁽²⁾	CDN\$30,000 ⁽³⁾	Nil	N/A
Malcolm Randall ⁽⁴⁾	190,000 ⁽⁵⁾	CDN\$38,000 ⁽⁶⁾	Nil	N/A

- (1) Brian Richardson was appointed to the board of directors effective October 9, 2001.
- (2) Brian Richardson was granted an stock option agreement on November 9, 1999 for the right to purchase up to 150,000 common shares at the exercise price of CDN\$0.20 per share.
- (3) Brian Richardson exercised his option agreement, in full at the exercise price of CDN. \$0.20 per share on November 1, 2001. The shares of the Company did not trade November 1, 2001, however the bid/ask was CDN. \$0.26-\$0.30.
- (4) Malcolm Randall was appointed to the board of directors effective October 9, 2001.
- (5) Malcolm Randall was granted an stock option agreement on November 9, 1999 for the right to purchase up to 190,000 common shares at the exercise price of CDN\$0.20 per share.
- (6) Malcolm Randall exercised his option agreement, in full at the exercise price of CDN. \$0.20 per share on November 1, 2001. The shares of the Company did not trade November 1, 2001, however the bid/ask was CDN. \$0.26-\$0.30.

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

None of the directors or officers of the Company, or any subsidiary thereof (if any), or any associates or affiliates of any of them, is or has been indebted to the Company at any time during the last three completed fiscal years of the Company, in connection with the purchase of securities of the Company, or any subsidiary thereof (if any), or otherwise. There has been no indebtedness the subject of a guarantee, support agreement, letter of credit or other arrangement provided by the Company or any subsidiary thereof (if any).

INTEREST OF INSIDERS IN MATERIAL TRANSACTIONS

Other than as otherwise disclosed herein, none of the directors or officers of the Company, or any associate or affiliate of such person or company, has any material interest, direct or indirect, in any transaction during the past year or any proposed transaction which has materially affected or will materially affect the Company.

Management Contracts

Other than as set forth below, management functions of the Company are not, to any substantial degree, performed by a person or persons other than the directors or senior officers of the Company.

Jeremy Caddy

On April 14, 1999, the Company entered into a management agreement with Jeremy Caddy (the "Management Agreement") with a term commencing on January 1, 1999 and renewable by mutual consent for successive one (1) year periods. Under the terms of the Management Agreement, Mr. Caddy is entitled to compensation in the amount of CDN. \$36,000 per year. Mr. Caddy is also entitled to the reimbursement of out-of-pocket expenses, dental and disability benefits, and rights and benefits under any profit sharing, deferred compensation, stock appreciation rights, stock option or other plans or programs adopted by the Company, if any, comparable to rights and benefits under such plans and programs as are customarily granted to persons holding similar positions as that held by Mr. Caddy or performing duties similar to those performed by him in corporations of similar size that carry on a similar type of business as that carried on by the Company. The Management Agreement also provides for termination on the following basis:

1. by the Company:
 - should Mr. Caddy be guilty of any misconduct, he may be dismissed upon giving ninety (90) days' notice, or the payment to him of compensation in lieu of such notice; or
 - at any time upon three (3) months previous notice. Mr. Caddy is then entitled to receive compensation to the date of termination, plus six (6) month's compensation for every year of service in excess of one year;
2. by Mr. Caddy: at any time upon giving thirty (30) days' notice and, in such event, Mr. Caddy shall receive his compensation to the date of termination;
3. by reason of Mr. Caddy's death: compensation shall be payable to his widow or estate for the remainder of the term of the Management Agreement;
4. by reason of Mr. Caddy's illness: the compensation and benefits, less amounts equal to sickness or disability payments received by Mr. Caddy under the Company's sickness and disability plan, if any, for the remainder of the term of the Management Agreement; or
5. by reason of the Company's amalgamation, merger, consolidation or sale of assets: compensation shall be payable to Mr. Caddy to the date of termination, plus consideration equal to six months compensation.

Brian Richardson

On January 1, 1999, the Company entered into a consulting agreement with Brian Richardson (the "Consulting Agreement") pursuant to which Mr. Richardson has been engaged to provide the Company with gold and base metal exploration consulting services. Under the terms of the Consulting Agreement, Mr. Richardson is entitled to his reasonable out-of-pocket expenses and compensation in the amount of A\$300 per day for each day that the Company formally invites Mr. Richardson to provide his services. The Consulting Agreement also provides for termination on the following basis:

1. at any time upon giving thirty (30) days' notice by either the Company or Mr. Richardson or, if by the Company, upon the payment to Mr. Richardson of his compensation in lieu of such notice; or
2. immediately, in the event of misconduct by Mr. Richardson.

Mr. Brian Richardson was appointed to the board of directors effective October 9, 2001.

Malcolm Randall

On August 15, 1999, the Company entered into a consulting agreement with Malcolm Randall (the "Exploration/Consulting Agreement") pursuant to which Mr. Randall has been engaged to provide the Company with diamond exploration consulting services. Under the terms of the Exploration/Consulting Agreement, Mr. Randall is entitled to his reasonable out-of-pocket expenses and compensation in the amount of A\$800 per day for each day that the Company formally invites Mr. Randall to provide his services. The Exploration/Consulting Agreement provides for termination on the same terms as the agreement with Mr. Brian Richardson noted above.

Mr. Brian Randall was appointed to the board of directors effective October 9, 2001.



PARTICULARS OF MATTERS TO BE ACTED UPON

RESOLUTIONS 1 AND 2 – DIRECTORS' REPORT TO MEMBERS AND FINANCIAL STATEMENTS

The Directors' Report to Members, audited financial statements of the Company for the fiscal year ended September 30, 2001 (the "Financial Statements") and the Auditor's report thereon will be presented to Members at the Meeting. The Directors' Report to Members, Financial Statements and Auditor's report are being mailed to Members of record with this Information Circular. Copies of the Directors' Report to Members, Financial Statements, Auditor's report, Notice of Annual General Meeting of Members, Information Circular and Proxy will also be available from either the Registered Office at Suite 501, Terminal City Club Tower, 837 West Hastings Street, Vancouver, British Columbia, Computershare Trust Company of Canada or the Company's Australian office at Level 33, QV1 Building, 250 St George's Terrace, Perth, Western Australia.

RESOLUTION 3 – APPOINTMENT AND REMUNERATION OF AUDITORS

The persons named in the enclosed Proxy will vote for the appointment of Desai & Associates, Chartered Accountants as Auditor for the Company to hold office until the next annual general meeting of the Members, at a remuneration to be fixed by the Company's Board of Directors.

RESOLUTIONS 4 TO 11 – ELECTION OF DIRECTORS

The Directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are appointed, unless his or her office is earlier vacated, in accordance with the Articles of the Company. In the absence of instructions to the contrary, the enclosed proxy will be voted for the nominees herein listed, all of whom are presently members of the board of Directors.

In addition, Messrs DeMarte, Crabb, Randall and Richardson were appointed as Directors of the Company on 30 April 2001, 9 October 2001, 9 October 2001 and 9 October 2001 respectively. Under Rule 14.4 of the Listing Rules of Australian Stock Exchange Limited (the "ASX Listing Rules"), each of the abovementioned persons may only hold office as a director of the Company until the next annual general meeting of the Company. However, each of the abovementioned persons is eligible for re-election as a director of the Company and has offered himself for re-election.

All nominees have established their eligibility and willingness to serve as Directors. If prior to the Meeting, any of the listed nominees should become unavailable to serve, proxies in favour of management will be voted for any other nominee or nominees at the discretion of the management proxyholder.

The Members will be asked to pass an ordinary resolution to set the number of Directors of the Company at seven (7). Management of the Company proposes to nominate each of the persons for election as a director. Information concerning such persons, as furnished by the individual nominees is made under the heading above and please refer to "information Concerning Nominees Submitted by Management" for particulars relating to nominees for director.

The Notice of the Record Date as required pursuant to the Yukon Business Corporations Act was published in the Vancouver Sun newspaper, Vancouver, British Columbia on December 27, 2001 and in the Whitehorse Star, Yukon Territory on December 27, 2001.

RESOLUTIONS 12 TO 18 – GRANT OF OPTIONS TO DIRECTORS

The Company proposes to issue a total of 1,650,000 options, for no consideration, exercisable at A\$0.50 on or before the date that is five (5) years from the date of grant to the Directors of the Company as follows:

Mr Philip Crabb	450,000
Mr Frank DeMarte	550,000
Mr Jeremy Caddy	200,000
Mr Brian Richardson	150,000
Mr Ross Glanville	100,000
Mr Rick Crabb	100,000
Mr Malcolm Randall	100,000

The grant of options is designed to encourage the recipients to have a greater involvement in the achievement of the Company's objectives and to provide an incentive to strive that end by participating in the future growth and prosperity of the Company through share ownership.

Under the Company's current circumstances, the Directors consider that the incentives to the parties noted above, represented by the issue of these options, are cost effective and efficient reward and incentive for the Company, as opposed to alternative forms of incentive, such as the payment of cash compensation to the Directors.

ASX Listing Rules

Rule 10.11 of the ASX Listing Rules requires Member approval to the issue of the options to a related party of the Company. As all Directors of the Company are related parties of the Company, Member approval under Rule 10.11 of the ASX Listing Rules is sought.

The following information is provided to shareholders for the purposes of Listing Rule 10.13:

- (a) the options will be granted to Messrs Crabb, DeMarte, Caddy, Richardson, Glanville, Crabb and Randall as noted above;
- (b) the maximum number of options to be granted under Resolutions 12 to 18 is 1,650,000;
- (c) the options will be issued no later than one month after the date of this Annual General Meeting or such later date as approved by Australian Stock Exchange Limited ("ASX");
- (d) the options will be granted on the terms and conditions as set out in Annexure A to this Information Circular; and
- (e) no funds will be raised from the grant of the options.

As approval of Members is being sought pursuant to Rule 10.11 of the ASX Listing Rules, under Rule 7.2 Exception 14 of the ASX Listing Rules, approval under Rule 7.1 of the ASX Listing Rules is not required.

CDNX Policy

If an option is granted to an Insider, Member approval must also be obtained prior to the exercise of the Option pursuant to the policies of the CDNX. "Insider", as defined in the *Securities Act*, includes directors, senior officers and holders of greater than 10% of a company's issued share capital. Options to employees, management company employees or consultants who are not Insiders do not require Member approval.

Accordingly, Member approval is sought both to the grant of the options and the issue of shares upon exercise of the options.

For the information of Members, the present policy of the CDNX with respect to the granting of options by the Company is, *inter alia*:

- the aggregate number of shares that may be reserved for issuance pursuant to options shall not exceed 10% of the issued shares of the Company at the time of granting, unless the grant is under a stock option plan which has been accepted by the CDNX. Please note that the Company has not adopted a stock option plan;
- the aggregate number of shares that may be reserved for issuance to any one individual pursuant to an option shall not exceed 5% of the issued shares of the Company at the time of granting;
- the aggregate number of shares that may be reserved for issuance to consultants shall not exceed 2% of the issued shares of the Company at the time of granting;
- options may be granted for a period of up to five (5) years;
- the minimum exercise price of an Option shall be the greater of \$0.10 or the Discounted Market Price. "Discounted Market Price" is defined by the CSNC as the Market Price less the applicable discount. "Market Price", subject to certain exceptions, means the last closing price of a company's shares on the trading day before the grant of options;
- if options are granted within ninety (90) days of a distribution by prospectus, then the minimum exercise price of the Option shall be the greater of the Discounted Market Price or the per share price paid by the public investors for the shares acquired by them during the distribution;
- all shares issued upon the exercise of options must be legended with a four (4) month CDNX hold period from the date the stock options are granted;
- an Option may be amended as to its exercise price only provided that at least six (6) months have elapsed since the later of the date of granting of the option, or the date the option exercise price was last amended, or the date the Company's shares commence to trade on the CDNX,
- an option may be fully renegotiated provided that at least one (1) year has passed since its original granting.

Member should also note that in addition to CDNX policy, the Company must comply with the ASX Listing Rules in respect to the granting of options to Directors.

RESOLUTION 19 – GRANT OF OPTIONS TO EMPLOYEES

Resolution 19 seeks Member approval to the issue of up to 325,000 options, for no consideration, each to acquire one common share, exercisable at A\$0.50 each on or before the date that is five (5) years from the date of grant to employees of the Company.

Listing Rule 7.1 broadly provides, subject to certain exceptions, that shareholder approval is required for any issue of securities by a listed company where the securities proposed to be issued represent more than 15% of the Company's securities then on issue. The options to be granted pursuant to Resolution 19 do not exceed this limit however, in order that the Company may retain its 15% capacity, Member approval is sought.

The following information is provided to shareholders for the purposes of Listing Rule 7.3:

- (a) the maximum number of options to be granted under Resolution 19 is 325,000;
- (b) the Options will be granted on one date no later than 3 months after the date of this Annual General Meeting or such later date as approved by ASX;
- (c) the options will be granted for no consideration;
- (d) the options will be granted to employees of the Company;
- (e) the options will be granted on the terms and conditions set out in Annexure A to this Information Circular; and
- (f) no funds will be raised from the grant of the options.

RESOLUTION 20 – DIRECTORS REMUNERATION

No aggregate remuneration for non-executive directors has previously been set by the Members of the Company.

The Directors fees have been considered and A\$100,000 has been decided as an appropriate level of Directors fees to be divided amongst the existing non-executive directors as they see fit and to allow for remuneration of additional non-executive directors who may be appointed to the board of the Company.

RESOLUTION 21 – AMENDMENT TO OPTION TERMS AND CONDITIONS

When the Company listed on ASX it undertook to ASX that it would use its best endeavours to amend the terms of the options on issue to comply with Listing Rules 6.16 and 6.19.

Accordingly, it is proposed, with Member approval, to amend the terms and conditions of 450,000 options exercisable at CDN. \$0.30 each on or before 21 March 2002 and 400,000 options exercisable at CDN. \$0.23 on or before 7 December 2002 to:

- (a) allow the rights of the option holder to be changed to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation (ASX Listing Rule 6.16); and
- (b) state that the option holder cannot participate in new issues without exercising the options held by him (ASX Listing Rule 6.19).

RESOLUTION 22 – RATIFICATION OF THE PREVIOUS GRANT OF OPTIONS

In accordance with the policies of the CDNX and subject to regulatory approval, Members will be asked to ratify, confirm and approve the granting of the following options granted to Insiders of the Company. "Insider", as defined in the Securities Act, includes directors, senior officers and holders of greater than 10% of a company's issued share capital.

Name of Insiders	Date of Option Agreement	Number of Shares	Exercise Price	Expiry
Jeremy Caddy	December 7, 2000	100,000	CDN. \$0.23	December 7, 2002
Ross Glanville	December 7, 2000	100,000	CDN. \$0.23	December 7, 2002
Walter Terrence Plummer ⁽¹⁾	December 7, 2000	100,000	CDN. \$0.23	December 7, 2002
Steven Sobolewski ⁽²⁾	December 7, 2000	100,000	CDN. \$0.23	December 7, 2002
Frank DeMarte	December 7, 2000	100,000	CDN. \$0.23	December 7, 2002

(1) Walter Plummer ceased to be a director of the Company effective July 27, 2001

(2) Steven Sobolewski ceased to be a director of the Company effective July 27, 2001

RESOLUTIONS 23 & 24 – RATIFICATION OF PREVIOUS SHARE ISSUES

Resolutions 23 and 24 have been included so that Members may approve and ratify, pursuant to Rule 7.4 of the ASX Listing Rules, the following issues of securities by the Company since its listing on ASX:

- (a) 2,000,000 shares issued to Brian Richardson and Simon Attwell at a deemed issue price of CDN. \$0.25 each in consideration for the acquisition of Magmatic Metals Ltd on 8 June 2001. No funds were raised from this issue;
- (b) 150,000 shares issued to Mr. B. Richardson at an issue price of CDN. \$0.20 each pursuant to the exercise of 150,000 options by Mr Richardson on 31 October 2001. The funds raised from this issue were used to fund exploration and for general working capital;
- (c) 100,000 shares issued to Mr. S. Attwell at an issue price of CDN. \$0.20 each pursuant to the exercise of 100,000 options by Mr Attwell on 31 October 2001. The funds raised from this issue were used to fund exploration and for general working capital; and
- (d) 190,000 shares issued to Mr. M. Randall at an issue price of CDN. \$0.20 each pursuant to the exercise of 190,000 options by Mr Randall on 31 October 2001. The funds raised from this issue were used to fund exploration and for general working capital.

All shares issued as detailed above are common shares and rank equally in all respects with existing common shares on issue in the capital of the Company.

Rule 7.1 of the ASX Listing Rules provides a formula which limits the number of equity securities the Company may issue to 15% of each class of securities issued within a 12 month period without shareholder approval. Rule 7.4 of the ASX Listing Rules provides that an issue of securities made without approval under Rule 7.1 of the ASX Listing Rules is treated as having been made with shareholder approval for the purpose of Rule 7.1 of the ASX Listing Rules if the shareholders subsequently approve it.

The purpose of Resolutions 23 and 24 is to ratify the issues the subject of those resolutions within the 15% limit so as to provide the Company with the flexibility to issue further securities in accordance with the Listing Rules should the need arise.

RESOLUTION 25 – ACTS AND DEEDS OF DIRECTORS

Shareholders will be asked to confirm, ratify and approve all acts, deeds and things done by and the proceedings of the Directors and Officers of the Company on behalf of the Company during the preceding year.

RECOMMENDATION OF THE COMPANY'S DIRECTORS

The directors have reviewed and considered all facts respecting the foregoing matters which they have considered to be relevant to Members. It is the unanimous recommendation of the Company's directors that Members vote for passage of the foregoing Resolutions.

OTHER MATERIAL FACTS

Management knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the shares represented by the Proxy solicited hereby will be voted on such matter in accordance with the best judgement of the persons voting by proxy.

DATED at Vancouver, British Columbia, on the 4th day of January, 2002.

BY ORDER OF THE BOARD
THUNDELARRA EXPLORATION LTD.



Jeremy Caddy
Chief Executive Officer

**TERMS AND CONDITIONS OF OPTIONS TO BE GRANTED TO DIRECTORS AND EMPLOYEES**

The terms and conditions of the options are:

1. No monies will be payable for the grant of the options.
2. Subject to these terms and conditions, each option will entitle the holder ("**Optionee**") to subscribe for one fully paid common share ("**Share**") issued in the capital of Thundelarra Exploration Ltd ("**Company**") at an issue price of A\$0.50 each ("**Exercise Price**").
3. The option will expire on the date that is 5 years from the date of grant ("**Expiry Date**").
4. The Company will not apply to Australian Stock Exchange Limited ("**ASX**") or the Canadian Venture Exchange ("**CDNX**") for quotation of the options. The Company will apply for quotation of the Shares allotted pursuant to the exercise of the options within the time required by the Listing Rules of ASX and the Rules of CDNX after the date of allotment.
5. In order to exercise the options, the Optionee must, no later than the close of business (Western Australian time) on the date that is 5 years from the date of grant, give written notice to the Company of his or her intention to exercise the options in whole or in part, such notice to be accompanied by cash or certified cheque, payable to the Company in the appropriate amount. After receipt of such notice, the Company will forthwith allot and issue the required number of shares. The notice is only effective (and only becomes effective) when the Company has received value for the full amount of the Exercise Price (for example, if the Exercise Price is paid by cheque, by clearance of that cheque).
6. Options not exercised on or before the Expiry Date will automatically lapse.
7. The options will be in full force and effect and exercisable only so long as the Optionee shall continue in the capacity as a director, senior officer, employee or consultant of the Company and shall terminate at the close of business on the date which is ninety (90) calendar days after which the Optionee ceases to be a director, senior officer, employee or consultant of the Company. Any unexercised portion of such options may not be exercised by the option holder after such ninety (90) day period. However, should the Optionee die during the term of the option, any unexercised portion of the option shall be available for exercise by the Optionee's estate within twelve (12) months after the date of the option holder's death.
8. The options granted are personal to the Optionee and may not be assigned nor transferred in whole or in part.
9. These option terms and conditions or any amendment to these option terms and conditions will be subject to the prior approval of the CDNX and, if the Optionee is an "Insider" as defined by Section 1 of the Securities Act (British Columbia), the Members of the Company.
10. The granting of the options by the Company to the Optionee and the exercise of the options by the Optionee is subject to prior approval of the members of the Company.
11. In the event that there is, prior to the expiry date of the options, a reorganisation of the issued capital of the Company (including consolidation, sub-division, reduction or return), the options will be reorganised in accordance with the Official Listing Rules of ASX applying to the reorganisation and such adjustment shall be effective and binding for all purposes of this Agreement.
12. In the event that the Company shall amalgamate, consolidate with, or merge into another corporation, the Optionee will thereafter receive, upon the exercise of the options, the securities or property to which a holder of the number of shares then deliverable upon the exercise of the within options would have been entitled to upon such amalgamation, consolidation, or merger and the Company will take steps in connection with such amalgamation, consolidation, or merger as may be necessary to ensure that the provisions hereof shall thereafter be applicable, as near as reasonably may be, in relation to any securities or property thereafter deliverable upon the exercise of the options granted herein. A sale of all or substantially all of the assets of the Company for a consideration (apart from the assumption of obligations) a substantial portion of which consists of securities shall be deemed a consolidation, amalgamation or merger for the purposes hereof.
13. The Optionee has no right or entitlement to participate in any new issues of capital which may be made or offered by the Company to its members from time to time prior to the Expiry Date unless the option herein granted is exercised.
14. If there is a bonus share issue ("**Bonus Issue**") to the holders of shares, the number of shares over which an option is exercisable will be increased by the number of shares which the Optionee would have received if the option had been exercised before the record date for the Bonus Issue ("**Bonus Shares**"). The Bonus Shares must be paid up by the Company out of the profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank pari passu in all respects with the other shares of that class on issue at the date of issue of the Bonus Shares.
15. If there is a pro rata issue (other than a Bonus Issue) to the holders of shares during the currency of, and prior to the exercise of any options, the Exercise Price of an option will be adjusted in the manner provided for in the Listing Rules of ASX.
16. The Optionee acknowledges that any shares to be acquired upon exercise of the options will be subject to a hold period and may not be traded for a period of four months from the date the options are granted.



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THUNDELARRA EXPLORATION LTD

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NOTICE OF DIRECTION ANNUAL GENERAL MEETING TO BE HELD ON 15 FEBRUARY 2002

THIS FORM OF NOTICE OF DIRECTION IS TO BE COMPLETED BY REGISTERED HOLDERS OF CDIS
(AUSTRALIAN REGISTER ONLY)

Name: _____

Address: _____

TO: CHES DEPOSITARY NOMINEES PTY LTD

I/We am/are the holder of CHES Depository Interests ("CDIs") of the Company and I/we direct CHES Depository Nominees Pty Ltd to vote for me/us in respect of the CDIs held in my/our name at the Annual General Meeting of the Company to be held on 15 February 2002 at 10.00 am (Western Australian time) the QV1 Building, Function Room, Level 2, 250 St George's Terrace, Perth, Western Australia and at any and all adjournments of that meeting as follows:

Mark an "X" in the appropriate box
if you want to direct
Chess Depository Nominees Pty Ltd
how to vote on your behalf

	For	Against	Abstain
Resolution 1 To receive and consider the Report of the Directors.			
Resolution 2 To receive and consider the audited financial statements of the Company for the fiscal period ended September 30, 2001, together with the Auditor's report thereon.			
Resolution 3 To appoint an Auditor and fix Auditor's remuneration			
Resolution 4 To fix the number of directors and authorise further appointments			
Resolution 5 To re-elect Mr Philip Crabb as a director of the Company			
Resolution 6 To re-elect Mr Rick Crabb as a director of the Company			
Resolution 7 To re-elect Mr Frank DeMarte as a director of the Company			
Resolution 8 To re-elect Mr Brian Richardson as a director of the Company			
Resolution 9 To re-elect Mr Malcolm Randall as a director of the Company			
Resolution 10 To re-elect Mr Jeremy Caddy as a director of the Company			
Resolution 11 To re-elect Mr Ross Glanville as a director of the Company			
Resolution 12 To grant options to Mr Philip Crabb			
Resolution 13 To grant options to Mr Frank DeMarte			
Resolution 14 To grant options to Mr Jeremy Caddy			

Mark an "X" in the appropriate box if you want to direct Chess Depository Nominees Pty Ltd how to vote on your behalf

		For	Against	Abstain
Resolution 15	To grant options to Mr Brian Richardson			
Resolution 16	To grant options to Mr Ross Glanville			
Resolution 17	To grant options to Mr Rick Crabb			
Resolution 18	To grant options to Mr Malcolm Randall			
Resolution 19	To grant options to Employees			
Resolution 20	To set Director's remuneration			
Resolution 21	To amend option terms and conditions			
Resolution 22	To ratify previous grant of options			
Resolution 23	To ratify previous issue of shares to Messrs Richardson, Attwell and Randall			
Resolution 24	To ratify previous issue of shares to Messrs Richardson and Attwell			
Resolution 25	To approve the actions of the Directors and Officers carried out during preceding year			

Authorised Signature/s

This section **MUST** be signed to enable your directions to be implemented.

Affix company seal (if required by Constitution)

Individual or CDI Holder 1

Individual/Sole Director and Sole Company Secretary

CDI Holder 2

Director

CDI Holder 3

Director/Company Secretary

Dated: _____

Contact telephone number: _____

NOTES:

1. You have the right to direct CHESS Depository Nominees Pty Ltd how to vote in respect to the resolutions described in the attached Notice of Annual General Meeting. If you complete the Notice of Direction and the directions in it are certain, then CHESS Depository Nominees Pty Ltd will submit a proxy vote in accordance with your instructions.
2. Each CDI holder must sign this form. If your CDIs are held in joint names, all holders must sign in the boxes. If you are signing as attorney, the Power of Attorney must have been noted by Computershare Investor Services Pty Ltd or a certified copy of it must accompany this form. If you are a corporation, the Notice of Direction must be executed under seal, if required by your Constitution, or if the Company does not have a seal, by two directors or a director and company secretary.
3. You must deposit the Notice of Direction with Computershare Investor Services Pty Ltd, Level 2, 45 St Georges Terrace, Perth, Western Australia, 6000 or GPO Box D182, Perth, Western Australia, 6840 **BY NOT LATER THAN 96 HOURS BEFORE THE ANNUAL GENERAL MEETING ie. 10.00 am (Western Australian time) 11 FEBRUARY 2002.**
4. If you have any queries in respect to completing this Notice of Direction, please contact Computershare Investor Services Pty Ltd on (08) 9323 2000.



THUNDELARRA
EXPLORATION