



THUNDELARRA

EXPLORATION LTD

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29 October 2003

The Manager
The Company Announcement Office
Australian Stock Exchange Limited
Level 4
20 Bridge Street
SYDNEY NSW 2000

Thundelarra Exploration Ltd
ABN 74 950 465 654
ARBN 085 782 994

Electronic Lodgement

ACTIVITIES REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2003

HIGHLIGHTS

EXPLORATION

Nickel-Copper

- Drilling at Copernicus Joint Venture returns significant results and extends nickel mineralisation to the south. Further drilling scheduled to commence mid November 2003.
- Thundelarra signs Joint Venture and Strategic Agreement with LionOre on East Kimberley Project.
- Ground electromagnetic surveys underway.
- Sally Malay identify significant EM target immediately north of the Copernicus orebody.

Diamonds

- FalconTM survey completed on Phillips Range defined 38 priority targets.
- Field assessment of all targets completed with results pending.

CORPORATE

- Placement to LionOre to raise \$3.5 million.
- Renounceable Rights Issue to shareholders to raise \$2.1 million.



EAST KIMBERLEY NICKEL PROJECTS

Copernicus Joint Venture (Sally Malay earning 60%)

On the 25 August 2003 the Directors of Thundelarra Exploration Ltd (“Thundelarra”) announced the results from the first drilling program conducted by Sally Malay Mining Limited (“Sally Malay”) as operators of the East Kimberley Copernicus Joint Venture with Thundelarra. A 1200 metre, 21 hole reverse circulation drilling program was conducted to better define the extents of the Copernicus nickel-copper resource ahead of undertaking a study to determine the feasibility of processing the resource through the Sally Malay plant. Exploration drilling was also carried out on the nearby Salk North and Kepler exploration prospects. Results from the drilling program are presented in the table below. All intercepts are from the sulphide zone.

Copernicus Drill Programme Assay Summary
(based on 0.50% Ni cut-off)

Prospect	Hole No.	E	N	From (m)	To (m)	Int. (m)	Ni%	Cu%	Co%
Copernicus	CORC011	392,981	8,047,282		NSR*				
	CORC012	392,964	8,047,296	31	38	7	1.34	0.98	0.05
	CORC013	392,946	8,047,309	48	54	6	1.52	0.97	0.05
	CORC014	392,928	8,047,322	69	72	3	2.52	1.47	0.08
	CORC015	392,950	8,047,281	25	42	17	1.91	1.45	0.06
	Including			34	39	5	2.32	1.82	0.09
	CORC016	392,919	8,047,304	57	67	10	1.12	0.78	0.04
	CORC017	392,955	8,047,250	14	28	14	1.87	0.49	0.06
	Including			15	24	9	2.28	0.47	0.08
	CORC018	392,937	8,047,262	22	40	18	1.52	0.79	0.04
	Including			28	33	5	2.14	0.92	0.06
	CORC019	392,919	8,047,275	40	50	10	1.08	0.53	0.03
	CORC020	392,901	8,047,289	60	68	8	1.32	0.45	0.04
	CORC021	392,925	8,047,247	22	46	24	1.47	0.73	0.06
	Including			34	39	5	2.04	0.99	0.08
	CORC022	392,933	8,047,224	14	37	23	1.50	0.72	0.06
	CORC023	392,915	8,047,236	38	50	12	1.07	0.53	0.04
	CORC024	392,897	8,047,248	34	47	13	1.33	0.92	0.05
				50	56	6	0.55	0.27	0.03
	CORC025	392,879	8,047,260	52	62	10	0.91	0.57	0.04
CORC026	392,930	8,047,207	42	46	4	0.57	0.38	0.03	
CORC027	392,922	8,047,194		NSR					
CORC028	392,898	8,047,230	19	27	8	1.75	1.08	0.06	
Including			20	24	4	2.22	1.21	0.07	
Kepler	CONRC001	393,125	8,047,738	12	23	11	0.57	0.85	0.02
	CONRC002	393,106	8,047,753		NSR				
Salk North	SARC008	392,500	8,046,963	57	80	23	0.69	0.45	0.02
	Including			58	62	4	1.38	0.64	0.04
				70	72	2	1.44	0.24	0.05

* NSR – no significant results

The Salk North prospect is located approximately 500 metres south west of Copernicus and is a “blind” nickel-copper sulphide occurrence first discovered by Thundelarra in November 2002, when hole SARC007 intersected 1 metre @ 1.90% nickel and 0.60% copper from 54 metres. Salk North is the faulted southern extension of the Copernicus intrusion.

The drilling of one hole into the prospect by Sally Malay intersected significant results in SARC008 (4 metres at 1.38% nickel and 0.64% copper from 58 metres and 2 metres at 1.44% nickel and 0.24% copper from 70 metres) within a broad zone of lower grade mineralisation. Holes SARC007 and SARC008 are located approximately 80 metres apart and now define an extensive and previously unrecognised zone of nickel-copper sulphide mineralisation. The results are considered significant and indicate the potential for a second resource within the joint venture tenement.

The drill testing of a mineralised pyroxenite unit located approximately 400 metres north east of Copernicus, at the Kepler prospect, also returned encouraging results with hole CONRC001 intersecting 11 metres @ 0.57% nickel and 0.85% copper from 12 metres.

Thundelarra and Sally Malay formed the Copernicus Joint Venture in March 2003 covering Mining Lease Application M80/540 (120ha). Under the terms of the joint venture, Sally Malay has the right to earn 60% interest in the tenement by completing a bankable feasibility study on mining the resource and processing it through the Sally Malay plant. On 28 October Sally Malay announced a re-estimation of the Copernicus resource. Conducted by BSCG this has resulted in an increase in the Indicated Resource (under JORC guidelines) to 241,000 tonnes at 1.5% nickel, 0.8% copper and 0.059% cobalt (using a 1.0% nickel cut-off) containing 3,615 tonnes of nickel. Copernicus is located only 35 kilometres from the Sally Malay nickel-copper mine and could become a significant source of open cut feed for the plant, which has capacity to treat additional ore. Sally Malay is on target to commence production from their deposit in July 2004 with the first concentrate shipment to China scheduled for August 2004. The Copernicus resource is expected to be mined mid 2005 immediately after open pit mining at Sally Malay finishes.

These results are very encouraging and indicate the potential for the Copernicus Joint Venture tenement to host significant nickel-copper sulphide resources. Thundelarra’s surrounding 100% owned tenements are also very prospective to host nickel-copper resources associated with numerous other mafic/ultramafic intrusions.

On 28 October Sally Malay announced that recently completed ground EM on the Copernicus/Salk JV has identified a significant anomaly, immediately north of the existing Copernicus orebody. Initial indications are that the EM anomaly is approximately 100 metres below surface and has a potential strike length of approximately 200 metres. This anomaly appears to have a larger footprint than the Copernicus EM anomaly.

East Kimberley Regional Agreement with LionOre

On the 8 October 2003 the Directors of Thundelarra announced the details of a strategic agreement between LionOre Mining International Limited (“LionOre”) and Thundelarra on the East Kimberley nickel project (see attached East Kimberley Project map). The agreement involves a regional joint venture over the Company’s extensive East Kimberley landholding and a placement to LionOre of 7,800,000 shares at \$0.45. The terms of the joint venture and placement are presented below:

LionOre/Thundelarra East Kimberley Nickel Joint Venture

Thundelarra has entered into a farm out and joint venture agreement with LionOre in respect of Thundelarra's East Kimberley Nickel tenements. The principal terms are as follows:

1. LionOre farms into an area of approximately 50% of the 2,800 sq km ("First Area") held by Thundelarra.
2. LionOre will earn a 60% interest on the First Area by sole funding the first \$5 million of exploration expenditure over 5 years.
3. Thundelarra will conduct its own exploration on its retained areas.
4. Thundelarra and LionOre will establish a technical committee to liaise on all exploration and share technical information.
5. Once LionOre has earned a 60% interest on the First Area, it may elect ("Additional Area Election") to expand the joint venture area to include additional areas. If LionOre brings in additional areas, it must sole fund all joint venture expenditure until it has contributed an amount equal to 150% of Thundelarra's expenditure on the additional areas brought in.
6. Thundelarra can then elect to contribute or to dilute in the joint venture area at the standard dilution rate. Thundelarra can also elect at any time to drop to a 20% interest, free carried to decision to mine (following completion of a bankable feasibility study).
7. If a decision to mine is made and Thundelarra does not wish to participate, LionOre must (if it still wishes to proceed) purchase Thundelarra's interest in the relevant mining area for fair market value as agreed or determined by the average of two expert's valuations.
8. A mechanism has been agreed to deal with the situation where, before LionOre has earned its 60% interest, Thundelarra has completed, on its retained area, a bankable feasibility study on a proven or probable reserve and has made a decision to mine on certain basis.

Placement to LionOre

Thundelarra has agreed with LionOre that LionOre will take a placement of 7,800,000 Thundelarra shares at 45 cents, raising a total of \$3,510,000. A total of 11,000,000 free unlisted options exercisable at 68 cents at any time up to 4 years from the date of grant will also be issued to LionOre. The issue of the shares and options to LionOre is subject to Thundelarra shareholder approval under Listing Rule 7.1 and Thundelarra will immediately call a meeting for that purpose.

LionOre will hold approximately 11.72% of Thundelarra's issued capital following the placement of the 7,800,000 shares. After the entitlement issue to Thundelarra shareholders (see below), LionOre will hold approximately 10.8% of Thundelarra's issued capital (on an undiluted basis).

For such time as LionOre has an interest in more than 10% of Thundelarra's shares, LionOre has the right, subject to the Constitution of Thundelarra, the Corporations Act and the ASX Listing Rules, to appoint a director to the Thundelarra board.

Following the placement to LionOre and the entitlement issue to shareholders, Thundelarra will have approximately \$7.3 million cash available, which it will apply over the next 3 years in aggressively exploring its retained area (approximately 1400 sq km) in the East Kimberley and to a lesser degree, projects in the Pilbara, Southern Murchison and Eastern Goldfields.

Thundelarra is now in a strong position of having a 3 pronged approach to its extensive and exciting nickel project in the East Kimberley with:

- LionOre applying its exploration expertise, considerable resources and skill to its joint venture area (approximately 1400 sq km),
- Sally Malay completing a feasibility study on the Copernicus project; and
- Thundelarra sole funding exploration on the retained area.

Current Exploration

Thundelarra and Sally Malay have commenced separate exploration programs on the Copernicus Joint Venture tenement (MLA80/540) and surrounding areas. Sally Malay is conducting a ground electromagnetic survey over the entire Copernicus tenement and Thundelarra will continue the survey to the north and south. The combined survey will cover approximately 5 km strike of an prospective zone containing the Copernicus and Salk North prospects and a number of other previously unrecognised mafic-ultramafic intrusions. At the end of the survey, both Sally Malay and Thundelarra plan to carry out their own drilling programs to test any geophysical targets and to continue with the resource definition drilling at the Copernicus and Salk North prospects. Sally Malay's August 2003 drilling program at Copernicus discovered significant nickel mineralisation outside the current resource boundary which remains open along strike and at depth to the south.

Elsewhere within the Company's extensive landholding, the systematic assessment of targets generated over the last 3 years of research and field studies will continue. Geophysical and geochemical surveys are planned over the newly discovered Black Bull intrusion where recent work has outlined secondary nickel-copper mineralisation over 200 metres of strike (gossan sample: 0.85% nickel, 3.8% copper, 620ppb platinum + palladium + gold). Similar surveys are also planned for the Winston prospect, where gossan sampling returned assays up to 1.1% nickel and 21.8% copper.

As Thundelarra plans to explore in the East Kimberley throughout the remainder of this year, the Company has leased a fully operational, air-conditioned 18-man camp located central to its main areas of interest.

DIAMONDS

Phillips Range Project (Thundelarra 95% BHP Billiton/Gravity Capital earning 60%)

The 6,963-line km FalconTM airborne gravity survey flown over a large area of the Phillips Range project outlined 38 priority targets warranting assessment. An intense field program has been completed involving, drilling, mapping and geochemical sampling of these targets. The final results from this program will be available within the next 3 weeks.

GOLD PROJECTS

Water Tank (Thundelarra earning 100%)

The Water Tank project comprises 3 granted prospecting licenses located 5 kms east of Norseman. The tenements cover the interpreted southeastern extension of the Princess Royal Fault, the Wheel Fault and a number of other sub-parallel faults, all of which are important mineralising structures in the Norseman Goldfield. The majority of the project is under shallow transported cover and exploration by Thundelarra and other companies has discovered significant gold mineralisation in this poorly explored portion of the region (see March 2003 quarterly report). Thundelarra will conduct the next phase of exploration on this prospect early in 2004 after the completion of the East Kimberley programs.

Fields Find Project (Thundelarra 100%)

The Fields Find project area contains a number of advanced gold prospects including the Baron Rothschild 46,000oz gold resource and the old Fields Find mine. Thundelarra is currently holding discussions with prospective joint venture partners on this project.

Rothsay (Thundelarra 70%)

During the September quarter, Thundelarra completed an audit of all the digital drill data from the Rothsay project. A new resource estimate will now be calculated and a drilling program planned to test several targets to the north and south of the main resource.

Warriedar (Thundelarra 100% Gindalbie earning 60%)

No significant results were reported from exploration drilling completed during the quarter. Only limited exploration is planned for the December quarter.

CORPORATE

In addition to the placement of 7,800,000 shares at 45 cents to LionOre to raise \$3,510,000, Thundelarra will also proceed with a rights issue to shareholders. Each shareholder registered on Thundelarra's register of members as at the close of business on 5 November 2003 (record date) will be entitled to subscribe for 1 new fully paid ordinary share in Thundelarra for every 10 ordinary shares held as at the record date, at an issue price of \$0.36 cents per new share. The rights issue will be renounceable, meaning that shareholders can trade their rights on the ASX. The rights issue will raise approximately \$2,114,271. The maximum number of new shares to be issued pre the exercise of the currently listed and unlisted options is 5,870,975. Details of the rights issue timetable were announced to the ASX on the 23 October 2003.

Thundelarra's website has all the recent ASX Announcements, associated maps and project information.

Yours sincerely
Thundelarra Exploration Ltd



P G CRABB
Chairman

Enquiries to be addressed to:

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Chairman
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Mr Brian Richardson
Director Exploration
Thundelarra Exploration Ltd

Tel: 61 8 9321 9680

The Copernicus resource estimates have been prepared by Stephen Turley, Consultant Geologist, who is a Member of the Australian Institute of Geoscientists and is a Competent person for the purposes of JORC Code (1999). Other information in this report, insofar as it relates to resource estimation and exploration activities, is based on information compiled by Mr Brian Richardson who is a Corporate Member of the Australasian Institute of Mining and Metallurgy and who has more than ten years experience in the field of the activity being reported on. This report accurately reflects the information compiled by this member.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98.

Name of entity

THUNDELARRA EXPLORATION LTD

ACN or ARBN

085 782 994

Quarter ended ("current quarter")

30 SEPTEMBER 2003

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for		
(a) exploration and evaluation	(186)	(990)
(b) development	-	-
(c) production	-	-
(d) administration	(204)	(974)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	5	24
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	75
	(385)	(1,865)
Net Operating Cash Flows		
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	(30)
(b) equity investments	-	-
(c) other fixed assets	(1)	(55)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	2	16
1.10 Loans to other entities	-	(95)
1.11 Loans repaid by other entities	-	96
1.12 Other (provide details if material)	-	-
	1	(68)
Net investing cash flows		
1.13 Total operating and investing cash flows (carried forward)	(384)	(1,933)

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(384)	(1,933)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	1,975	3,513
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – share issue costs	(49)	(108)
Net financing cash flows		1,926	3,405
Net increase (decrease) in cash held		1,542	1,472
1.20	Cash at beginning of quarter/year to date	612	682
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	2,154	2,154

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	
1.24	Aggregate amount of loans to the parties included in item 1.10	126
1.25	Explanation necessary for an understanding of the transactions	
Thundelarra's financial year is from the period 1 October 2002 to 30 September 2003.		

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Not Applicable

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Not Applicable

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	250
4.2 Development	-
Total	250

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	(6)	40
5.2 Deposits at call	2,090	502
5.3 Bank overdraft	-	-
5.4 Other (bank guarantees)	70	70
Total: cash at end of quarter (item 1.22)	2,154	612

Appendix 5B
Mining exploration entity quarterly report

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	-	-	-
6.2	Interests in mining tenements acquired or increased	Billymac Yard Sally Downs Wells Panton West Frog Hollow	Nil Nil Nil Nil	100% 100% 100% 100%

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference +securities <i>(description)</i>	-	-	-
7.2	Changes during quarter			
	(a) Increases through issues	-	-	-
	(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-
7.3	+Ordinary securities	58,229,751	-	-
7.4	Changes during quarter			
	(a) Increases through issues	7,595,185	\$0.26	\$0.26
	(b) Decreases through returns of capital, buy-backs	-	-	-
7.5	+Convertible debt securities <i>(description)</i>	-	-	-
7.6	Changes during quarter			
	(a) Increases through issues	-	-	-
	(b) Decreases through securities matured, converted	-	-	-

Appendix 5B
Mining exploration entity quarterly report

7.7 Options (description and conversion factor)			Exercise price	Expiry date
	3,532,644	3,532,644	A\$0.23	30/04/2005
	1,950,000	-	A\$0.35	28/03/2008
	1,975,000	-	A\$0.50	28/02/2007
	422,000	-	A\$0.68	28/04/2004
	181,250	-	A\$0.68	30/04/2004
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 Debentures (totals only)	-	-		
7.12 Unsecured notes (totals only)	-	-		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:
(Director /Company Secretary)

Date: 29 October 2003.

Print name: FRANK DE MARTE

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

Appendix 5B
Mining exploration entity quarterly report

- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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