

MEDIA RELEASE

3 July 2007



Exploration Update

Moodong Well

The first-pass surface sampling programme at the Company's Moodong Well exploration licence (E08/1577) has been completed.

Exploration investigation and field work included:

- a regional geological review and reconnaissance survey targeting Uranium and Copper mineralisation within the prospect;
- determining access to selected target sites; and
- follow-up ground reconnaissance aimed at investigating numerous geological targets generated from the interpretation of existing regional mapping, highlighted structural trends and wide spaced radiometric imagery.

The Moodong Well Uranium and Copper project is located in the Ashburton Mineral Field of Western Australia, positioned approximately 40km South East of Nanutarra (360km NNE of Carnarvon along the North West Coastal Highway). The tenement is located on the southern boundary of Nanutarra and the north western boundary of Uaroo stations immediately south of the Ashburton River.

Structural analysis of E08/1577 reveals a series of northwest-southeast trending fractures, some quartz-hematite± (malachite) filled that are interpreted to reflect the same structural features that display uranium mineralisation at Hooley Camp to the immediate south east of the tenement.

In total, 60 rock chip samples have been collected and assayed for Barium (Ba), Uranium (U), Thorium (Th), Potassium (K), Copper (Cu), Lead (Pb) and Zinc (Zn) with no significant or anomalous results being returned from the surface exposures.

As previously reported, the tenement has significant areas of colluvial cover (*figure 1*) which require exploration by means in addition to the surface sampling. The Company will therefore now acquire and reprocess aeromagnetic and additional radiometric data as the next step in its exploration programme for the Moodong Well Prospect. Further information will be released as it becomes available

Mt Caudan Iron Ore

The Company is pleased to announce that it has entered into an iron ore farm-in agreement with Cazaly Iron Pty Ltd, a subsidiary of Cazaly Resources Limited, covering the Company's tenements at Mt Caudan and certain other tenements within the Parker Range Gold Project.

The Company has previously reported that a review of historic data shows that the Mt Caudan area in the western part of the Parker Range project is host to goethitic/magnetite iron deposits. Investigations between 1965 and 1969 suggested Iron content and exploration targets ranging between 5 Mt and 30 Mt.¹

The Mt Caudan area lies approximately 60 kilometres south of the Perth-Kalgoorlie rail, and potential exists for the delineation of an iron mineral resource.

Cazaly Iron may earn an 80% interest in iron ore on the tenements by spending \$1 million on exploration for iron ore within three years. The Company will retain a 20% interest in the iron ore rights, free carried to the completion of a bankable feasibility study.

¹ The exploration target at Mt Caudan is conceptual in nature. It should not be construed as an estimate of Mineral Resources or Ore Reserves. The tonnage range for the exploration prospect at Mt Caudan is based on estimations completed by previous operators between 1965 and 1969 and reported to the Department of Industry & Resources.

The Company's ongoing exploration programme for gold and other minerals will not be affected by the iron ore farm-in agreement with Cazaly Iron.

The agreement is subject to certain conditions, including –

- (i) the placement to Cazaly Resources Limited of 8,000,000 ordinary fully paid shares in the Company at a price of 2.5 cents per share, to take place on 15th July 2007; and
- (ii) the consent of other stakeholders in the subject tenements by not later than 30th September 2007.

Competent Person Statement

The information in this Report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Malcolm Castle who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Castle has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Castle consents to the inclusion in this Report of the matters based on his information in the form and context in which it appears. Mr Castle is a self-employed consultant to the Company.

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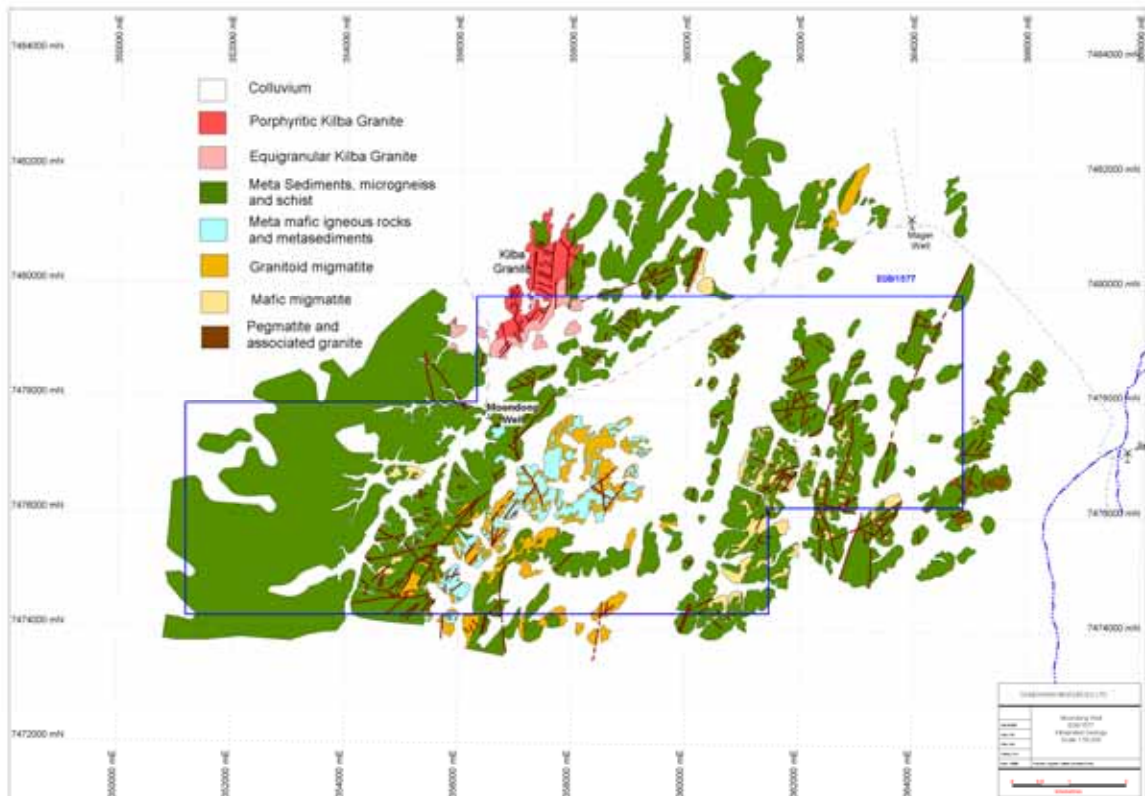


Figure 1: Geology of Moodong Well tenement