

ACTIVITIES REPORT FOR THE SEPTEMBER QUARTER 2007

Review of Operations

1. Mt Caudan Iron Ore

The Company recently reported the results of first-pass rockchip sampling at the Company's tenements at Mt Caudan within the Parker Range Gold Project under the Company's iron ore farm-in agreement with Cazaly Iron Pty Ltd, a subsidiary of Cazaly Resources Limited

Cazaly has reported that it has mobilized a field crew and exploration mapping has been completed at Parker Range, with the focus on the Mt Caudan banded iron formation (BIF). A total of 21 rockchip samples were taken along the BIF, over 1.5km, with continuous mineralisation noted for 900m. Eight (8) samples returned assay results greater than 60% Fe - see Table 1.

Results of Rock Chip Sampling

Table 1:

GDA East	GDA North	Fe %	P %	SiO2%	Al2O3%
742394	6499126	29.51	0.0579	5	2.64
742427	6499574	37.38	0.0407	37.27	2.03
742201	6498481	37.43	0.0484	36.97	2.07
742407	6499313	40.01	0.0557	5.41	4.24
742351	6499141	42.23	0.0084	28.05	1.56
742186	6498493	52.67	0.0596	13.38	1.16
742250	6498790	54.51	0.0209	6.43	6.48
742220	6498750	54.59	0.0152	6.83	8.9
742231	6498739	55.77	0.014	4.83	6.23
742246	6498731	56.11	0.0122	3.24	4.28
742330	6498896	57.03	0.0605	4.26	2.48
742405	6499124	58.12	0.0122	5.59	1
742291	6498777	59.61	0.0128	3.08	1.45
742282	6498915	60.57	0.0053	3.42	1.32
742427	6499312	60.83	0.0346	1.9	1.61
742278	6498788	60.92	0.007	2.44	1.34
742331	6499162	61.02	0.0169	2.08	3.16
742445	6499565	61.2	0.037	2.4	2.19
742274	6498721	62.05	0.0125	2	0.84
742119	6498080	62.55	0.0202	2.33	0.65
742289	6498888	64.83	0.0059	1.54	0.68

Notes:

- 1) Analyses conducted by Kalassay Laboratories using X-Ray Fluorescence Spectrometry
- 2) Awaiting Loss on Ignition (LOI) results

Drilling

Cazaly has advised that it will mobilize a drill rig to test Mt Caudan as soon as regulatory consents are received.

History of Iron Ore in the Area

The Yilgarn Iron Province has a history of large-scale iron production, with the first iron ore exported from Western Australia coming from the Koolanooka deposit in the Yilgarn during the mid 1960s. More recently, iron ore mining in the Yilgarn has been characterised by modest production from several small and dispersed hematite deposits, such as Koolyanobbing. The Mt Caudan area was subject to iron ore exploration during the 1960s and reconnaissance exploration identified goethite and magnetite mineralisation.

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.

Gondwana's Interest

Pursuant to the farm-in agreement Cazaly may earn an 80% interest in iron ore rights in the Mt Caudan tenements, subject to certain conditions, by spending \$1 million on exploration on the tenements by June 2010. Gondwana retains a 20% interest in the iron ore rights, free carried to the completion of a feasibility study.

Gondwana retains its 100% ownership of the tenements and will continue its exploration for gold and other minerals (other than iron ore).

2. Parker Range Gold Project

Background

Gondwana holds a portfolio of gold prospective tenements located in the Parker Range region of the southern portion of the Southern Cross Greenstone Belt. The Company's tenement portfolio is extensive, and south of Marvel Loch the land holdings extend over prospective greenstones, which reveal numerous historic workings, for approximately 40km of strike.

MMI Soil Sampling

A comprehensive program of Mobile Metal Ion (MMI) soil sampling over a large number of the Company's tenements was commenced during the quarter and will extend into the March quarter 2008. This MMI program is designed to identify gold mineralisation that other generations of explorers have missed and to assist in determining future RC drilling programs.

MMI exploration work is a comparatively recent method of high resolution soil geochemistry developed and patented by ex-CSIRO geologists from Western Australia.

Soil samples are taken over a grid pattern (for example -50m spaced lines, 20m sample intervals) in undisturbed environments 20 to 25cm below the true soil interface at a consistent depth. No metal touches the samples which are logged and stored in snap seal plastic bags. Samples are submitted to one laboratory in one large batch to alleviate laboratory *noise* levels as MMI geochemistry involves assays for sub-ppb metal values using state of the art ICPMS machines after special preparation for analysis.

One direct benefit of this method is the ability to "see-through" several hundred metres of overburden. In addition to determining if there are mineral targets directly beneath the sampled locations the results also provide direct indications of the underlying rock types - in effect, sub-surface geological mapping.

Mt Caudan Drilling

Depending on results of the MMI sampling referred to above, an RC drill program, for an advance of 1,100m, has been designed for Mt Caudan for the Mt Caudan prospect. The program will test a defined gold-in-soil anomaly, 700mx200m displaying (+40ppb) gold anomalism on two drill sections.

A number of Declared Rare Flora and Priority flora species have been identified in the Parker Range area and could potentially exist within the proposed area of disturbance. Golder Associates have conducted a targeted flora survey of the proposed drill sites and access tracks and the report is now due. It is envisaged that following the submission of the botanical survey to DEC the programme can advance and approval to conduct the drilling will be granted.

Auger Sampling at Burbidge

An auger soil geochemical program covering the western Mt Caudan sulphide unit and the adjoining mafic-ultramafic contact was previously proposed over the Burbidge West area, comprising approximately 250 spot samples to a depth of 1m on a 200mx40m grid pattern. This program may now be merged into the MMI program. The sample zone is positioned along strike from the Mt Caudan drill target and again a botanical survey has been conducted as a pre-ground disturbance condition. The targeted floral survey has also been conducted by Golder Associates in conjunction with the Mt Caudan survey.

Centenary Drilling

Again awaiting the results of the MMI survey referred to above, an RC drill program for an advance of 400m is proposed at Centenary. The program is designed to follow up a mineralised quartz veined ore shoot with associated Banded Iron Formation that has been defined in previous drilling. Initially, four RC drill holes will test the projected down dip extensions of the high grade shoot below the known depth. The drill holes are designed to follow up previously reported intersections that returned narrow but highly significant gold intercepts.

- CGRC002 3m @ 173.6g/t Au from 39m & 2m @ 32.8g/t from 47m
- CGRC003 1m @ 38.6g/t Au from 99m
- CGRC008 1m @ 24.9g/t Au from 108m and
- CGRC005 1m @ 133.7g/t Au from 54m

It is proposed to conduct the programme in conjunction with the Mt Caudan drilling following the submission of the targeted flora survey and approval of the work programme; no formal floral survey is required at Centenary.

Buffalo and Spring Hill

An in-house exercise to validate data outlining gold mineralisation at Buffalo and Spring Hill has been postponed, due to a shortage of manpower resources at this time, but is expected to be completed in the current quarter. Geological cross sections have now been reinterpreted to obtain a more robust geological model. The identified lodes at Buffalo, in some cross sections, are extended to reflect the strike continuity of gold mineralisation identified in the adjoining sections.

This geological interpretation has resulted in a more realistic analysis of the spatial distribution of mineralisation in a three dimensional context.

Micromine software will be utilised to finalise the optimal geological interpretation and to calculate an initial inferred resource at both Buffalo and Spring Hill.

The identified mineralisation remains open at depth and additional drilling will be carried out following the preliminary pit optimization.

Database

The Company has commenced a review and major upgrade of its digital database to facilitate the next important phase of exploration. The review and upgrade are being undertaken by Steve Le Brun of LBC Resources and will be completed during the current quarter.

3. Moodong Well Uranium

The recently granted Moodong Well tenement is located 40km SSE of Nanutarra in the Ashburton Mineral Field. The prospect is contained within exploration licence E08/1577 which was granted during the March Quarter. The Exploration Licence adjoins E08/1410 held by Vital Metals Limited to the north-west and E08/1561 held by Globe Uranium Limited to the south and is considered prospective for uranium and copper.

A reconnaissance and sampling field trip was conducted during the June quarter on the Moodong Well prospect but no significant anomalous results were returned from outcrop. As geological mapping indicates significant areas of colluvial cover, Southern Geoscience Consultants have sourced and processed available aeromagnetic and radiometric images to gain a better understanding of the subsurface geology and structural regime.

It is expected that re-interpretation of the aeromagnetic and radiometric images will be available during the current quarter.

4. New projects

The Company is carrying out preliminary evaluations of a base metals project in Guanxi Province, China, following the mandating of a Hong-based consultancy to conduct a search for suitable operating mines or exploration projects in China. The Company is also continuing to investigate other resources opportunities in Australia and overseas.

The Company's application for an exploration licence at Mt Harris has temporarily been held up while a miscellaneous licence providing power line access to a neighbouring tenement holder is dealt with, but the application is expected to proceed to grant in the normal course. The Mt Harris Prospect is located near Kathleen Valley in the East Murchison Mineral Field, WA, approximately 40 km north of Leinster, and adjoins prospects held by Jubilee Mines and Giralia Resources. The Company considers the area prospective for gold, nickel and base metals.

An application is also current for an exploration licence at Galbraigh Bore in the North Coolgardie region, WA. The Galbraigh Bore Prospect is considered prospective for uranium.

5. Competent Person Statement

The information in this Report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled or reviewed 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 Quarterly 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.

For further information phone Warren Beckwith on (08) 9388 9961 or email info@gondwanaresources.com.



Warren Beckwith
Director

31 October 2007

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

GONDWANA RESOURCES LIMITED

ABN

72 008 915 311

Quarter ended ("current quarter")

30 September 2007

Consolidated statement of cash flows

Cash flows related to operating activities	Current Quarter \$A'000	Year to date (9months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration and evaluation	(218)	(543)
(b) development	-	-
(c) production	-	-
(d) administration	(263)	(794)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	4	11
1.5 Interest and other costs of finance paid	(2)	(40)
1.6 Income taxes paid	-	-
1.7 Other - Sundry income	-	-
Net Operating Cash Flows	(479)	(1,366)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a)prospects	-	-
(b)equity investments	-	(50)
(c) other fixed assets	(10)	(23)
1.9 Proceeds from sale of:		
(a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	-	-
1.10 Loans to other entities	(32)	(118)
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	(5)
Net investing cash flows	(42)	(196)
1.13 Total operating and investing cash flows (carried forward)	(521)	(1,562)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(521)	(1,562)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	687	2,415
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	-	92
1.17	Repayment of borrowings	(91)	(671)
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Capital raising costs	-	(96)
	Net financing cash flows	596	1,740
	Net increase (decrease) in cash held	75	178
1.20	Cash at beginning of quarter/year to date	252	149
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	327	327

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	45
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

--

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

--

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

--

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	-	-

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	200
4.2	Development	-
Total		200

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	327	252
5.2 Deposits at call		-
5.3 Bank overdraft		-
5.4 Other (provide details)		-
Total: cash at end of quarter (item 1.22)	327	252

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		

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	+Ordinary securities	319,798,283	319,798,283		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	66,034,167	66,034,167		Fully paid
7.5	+Convertible debt securities				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options	5,649,937 23,993,000 45,549,957 53,987,877	5,649,937 23,993,000 45,617,457	Exercise price 18.75¢ Exercise price 5¢ Exercise price 1¢ Exercise price 1.2¢	Expiry 31/12/07 Expiry 30/6/08 Expiry 30/6/09 Expiry 30/6/10
7.8	Issued during quarter	1,000,000 25,000,000		Exercise price 1.2¢ Exercise price 1.2¢	Expiry 30/6/10 Expiry 30/6/10
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act 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:Date 31 October 2007
(Director)
Print name: Warren T Beckwith

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.
- 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.

=====