

MEDIA RELEASE

20 November 2007



Rights Issue

Management Appointment

Consolidation of Capital & Bonus Issues

Rights Issue

The Company will today issue the First Notice for a non-renounceable pro rata Rights Issue to raise new capital for the Company's MMI program at Parker Range and other significant objectives. Up to 169,949,093 new shares will be issued to shareholders, together with one (1) free attaching Option for every two (2) Shares subscribed for, to raise up to \$1,699,490 .

Details of the Rights Issue are contained in today's separate announcement.

Appointment of Managing Director

The Company is pleased to announce the appointment of David Burton, MBA, BSc (Hon), as Managing Director of Gondwana Resources Limited, effective 1 January 2008.

David brings twenty years of successful technical and management experience in both mining and exploration to Gondwana, including senior roles within Sinosteel Australia, Dominion Mining and Western Mining. As former geological superintendent of the Boddington Gold Mine he is responsible for identifying one of the world's largest gold-copper deposits now undergoing development. David is a former technical director of Conquest Mining Limited and responsible for highlighting the silver potential at Mt Carlton.

Warren Beckwith will be appointed Non Executive Chairman and the other Directors of the Company will continue in their present roles.

General Meeting

In addition, the Company advises that a general meeting of shareholders is to be convened for early January 2008 to outline the Company's plans and to approve certain measures to encourage the exercise of options, thus raising further capital for the Company. The principal resolutions to be put to the meeting include –

- Consolidation of Capital
The general meeting of shareholders will be asked to approve a consolidation of the Company's share capital by a factor of 10. If approved, the consolidation will take effect from the date of the shareholders' resolution in January 2008. The Directors believe the consolidation will deliver higher liquidity in daily ASX trading, significantly reduced share registry costs, significantly reduced ASX costs and greater acceptance by potential institutional investors and brokers.
- Issue of Plan Shares and Incentive Options to Directors

Subject to the passing of the resolution to consolidate the capital, a special resolution will be put to the general meeting to issue the following Plan Shares and Incentive Options to Directors of the Company:

(a) Plan Shares

1.6 million shares which, under the terms of the Gondwana Employee Share Plan, may only be disposed of as follows:

Within 1 year of issue date	33.3%
Within 2 years of issue date	66.6%
After 2 years of issue date	100%

(b) Incentive Options

2.2 million options (including 1,000,000 to David Burton under the terms of his employment contract) which are exercisable, subject to certain restrictions, as follows

Earliest Exercise Date	Expiry Date	Exercise Price	Tranche
1 January 2009	30 June 2010	20 cents each	50%
1 July 2010	31 December 2011	30 cents each	50%

Bonus Issue of Shares and Options

Subject to the general meeting passing the resolution to consolidate the capital, the Directors have resolved to make the following Bonus Issues:

- Bonus Issue of Shares

A bonus issue of shares is proposed on the basis of one (1) new free share for every (8) shares held on a record date which will be advised (and which will occur after the consolidation has been approved).

- Bonus Issue of options

A bonus issue of options is proposed on the basis of three (3) new options for every five (5) shares held on a record date which will be advised (and which will occur after the consolidation has been approved). The options will be exercisable on or before 30 June 2010 at a (post-consolidation) price of 12 cents each.

The proposed record date for the bonus issues of both shares and options will be announced in the Notice of Meeting that is currently being prepared by the Company and which will be sent to shareholders.

The Company's principal current activities for which new capital is to be raised are summarised below:

Parker Range Gold Project

Gondwana holds an extensive portfolio of prospective tenements, located south of Marvel Loch in the Southern Cross Greenstone Belt, which reveal numerous historic gold workings for approximately 40km of strike.

MMI Soil Sampling

A comprehensive program of Mobile Metal Ion (MMI) soil sampling over a number of the Company's tenements has been commenced and will extend into the New Year. 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. First results are expected to be available from the assay laboratory in December.

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

Soil samples are taken over a close-spaced grid pattern in undisturbed environments 20 to 25cm below the true soil interface at a consistent depth. 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 the Mt Caudan prospect. The program will test a defined gold-in-soil anomaly, 700mx200m displaying (+40ppb) gold anomalism on two drill sections. Golder Associates have conducted a targeted flora survey of the proposed drill sites and access tracks and the report has just been received. It is envisaged that following the submission of the botanical survey to DEC approval to conduct the drilling will be granted.

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 but 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 targeted floral survey has been conducted as a pre-ground disturbance condition 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.

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 exercise to validate data outlining gold mineralisation at Buffalo and Spring Hill is expected to be completed in the current quarter or early next 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.

The identified mineralisation remains open at depth and additional drilling is planned 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.

Mt Caudan Iron Ore Farm-in

The Company recently announced an iron ore farm-in agreement with Cazaly Iron Pty Ltd covering the Company's tenements at Mt Caudan within the Parker Range Gold Project. Cazaly has reported that exploration mapping has been completed focused 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. Encouraging assays of samples have been reported.

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

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.

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 its 100% ownership of the tenements and will continue its gold exploration while its retained interest in the iron ore rights is free carried to the completion of a feasibility study.

Moodong Well Uranium

The recently granted Moodong Well tenement is located 40km SSE of Nanutarra in the Ashburton Mineral Field. 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 has been conducted on the Moodong Well prospect but no significant anomalous results were returned from outcrop. As geological mapping indicates significant areas of colluvial cover, the Company is presently re-interpreting available aeromagnetic and radiometric images to gain a better understanding of the subsurface geology and structural regime.

Regatta Resources Limited ("Regatta")

The Company is continuing to plan the revised spin-off of its tenement interests in the Parker Range area, and has expressions of interest (subject to the completion of the Regatta IPO) from several other vendors of tenement interests in the area. It is envisaged Gondwana shareholders will retain a priority right to subscribe for shares in Regatta. Further information will be made available as soon as possible.

Wallal Downs Prospect

As announced yesterday, the Company has acquired the Wallal Downs prospect which is located 180km east of Port Hedland along the coast and coincides with the historic Wallal Downs Pastoral Lease in the Marble Bar District (ELA45/3139). Access

and infrastructure are considered excellent with the coastal highway located immediately south of the license area.

Regional gravity and magnetic data indicates a significant anomaly extending ENE for 25 km of strike length within Ausprey's application area. This anomaly may coincide with either a strongly magnetic mafic intrusion similar to the host units at Radio Hill (*Fox Resources*) with the potential to host nickel, copper and platinum group elements or at Balla Balla (*Aurox Resources*), with the potential for iron, vanadium and titanium. Importantly, anomalism may also relate to a near-surface extension of the Nimingarra banded iron formation, host to haematite iron ore mineralisation at Pardoo (*Atlas Iron*) and Yarrie/Goldsworthy (*BHP*). The ground is contiguous with *Brumby Resources* iron targets to the immediate WSW.

The coastal area is covered by sediments of the Canning Basin and has never been effectively explored before. It is anticipated that detailed ground geophysics in the first half of 2008 will provide drill targets in the second half.

China and Other New projects

It is anticipated that the Company's future direction may include a focus on mineral exploration and development in China.

The Company has previously reported that it is carrying out preliminary evaluations of a base metals project in Guanxi Province, China, following the mandating of a Hong-based consultancy to search for suitable operating mines or exploration projects in China. Further information on this project is expected to become available in the New Year after a site visit by our own geologist.

The Company is also continuing to explore other Australian prospects and investigate new resources opportunities in Australia and overseas.

Contact

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