

Gondwana RESOURCES LIMITED

ABN 72 008 915 311

20 November 2007

Company Announcements Platform
Australian Securities Exchange
Level 4
20 Bridge Street
SYDNEY NSW 2000

Via Electronic Lodgement

Dear Sir/Madam

NON-RENOUCEABLE RIGHTS ISSUE

Gondwana Resources Limited (ASX:GDA) (**Company**) is pleased to announce a non-renounceable rights issue of fully paid ordinary shares in the capital of the Company (**Shares**) on the basis of one (1) Share for every two (2) Shares held at the record date of 6 December 2007 together with one (1) free attaching Option for every two (2) Shares subscribed for (**Rights Issue**).

Shares under the Rights Issue will be offered at 1 cent per Share.

The maximum number of Shares which may be issued under the Rights Issue is 169,949,093 to raise \$1,699,490 (based on the current capital structure of the Company). Accordingly, the maximum number of Options which may be issued is 84,974,546. Fractional entitlements will be rounded up.

Shares issued under the Rights Issue will rank equally with existing Shares and the Company will apply for official quotation of the Shares.

The Options to be issued under the Rights Issue will be on the same terms as the Company's existing quoted options (Code: GDAOC) and are exercisable at 1.2 cents each on or before 30 June 2010. The Company will apply for official quotation of the Options.

Optionholders are not entitled to participate in the Rights Issue without first exercising their options to be registered as a Shareholder on the Record Date, in accordance with the terms and conditions of the options.

An Appendix 3B in respect of the Rights Issue accompanies this announcement.

A notice under section 708AA(2)(f) of the Corporations Act (**Notice**) and an Offer Document will be lodged with the ASX on or about 7 December 2007 in respect of the Rights Issue.

The proposed timetable for the Rights Issue is as follows:

Event	Date
Announcement of Rights Issue and Appendix 3B	20 November 2007
Notice sent to Security Holders	26 November 2007
Ex Date (date from which securities commence trading without the entitlement to participate in the Rights Issue)	30 November 2007
Record Date (date for determining entitlements of eligible shareholders to participate in the Rights Issue)	6 December 2007
First Cleansing Notice and Offer Document lodged with ASX	7 December 2007
Offer Document Dispatched to Shareholders (expected date of dispatch of offer document, entitlement and acceptance forms)	7 December 2007
Rights issue opens	7 December 2007
Closing Date* 5pm (WST)	21 December 2007
Notification to ASX of undersubscriptions	28 December 2007
Allotment date**	3 January 2008
Second Cleansing Statement lodged with ASX (under Section 708A(5))	3 January 2008
Dispatch holding statements **	3 January 2008

* Subject to the Listing Rules, the Directors reserve the right to extend the Closing Date for the Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the new securities.

**These dates are indicative only.

The Company intends to apply the funds raised from the Rights Issue to fund exploration of the Company's mineral prospects, evaluation and acquisition of or farm-in to new tenements, evaluation of new overseas project(s), investment in an associated company, retirement of debt and general working capital.

Important Changes Announced by the Company

The Company has today announced a number of measures, including a general meeting of shareholders to be convened for early January 2008 to approve several of these measures, which may have an impact on shareholders' decision to invest or not in securities offered pursuant to the Rights Issue. These measures are summarised below –

1 Appointment of Managing Director:

The Company has announced the appointment of David Burton, MBA, BSc (Hon), as Managing Director of Gondwana Resources, 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.

2 General Meeting:

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.

- *Issue of Options and 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 and Plan Shares and Incentive Options to Directors of the Company:

- (a) Plan Shares: 1,600,000 shares to be issued subject to the terms of the Gondwana Employee Share Plan.
- (b) Incentive Options: 2.2 million options (including 1,000,000 to David Burton under the terms of his employment contract) exercisable subject to certain restrictions at prices of 25 cents and 30 cents by 31 December 2011.

3 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.

Section 708AA(2)(f):

For the purposes of section 708AA(2)(f), the Company confirms that:

- (a) the Company will be offering the Shares and Options for issue without disclosure to investors under Part 6D.2 of the Corporations Act;
- (b) the Company will provide the Notice under paragraph 2(f) of section 708AA of the Corporations Act on or about 7 December 2007;
- (c) as at the date of this announcement the Company has complied with the provisions of Chapter 2M of the Corporations Act as they apply to the Company;
- (d) as at the date of this announcement, the Company has complied with section 674 of the Corporations Act; and
- (e) as at the date of this announcement, the Company confirms that there is no information:
 - (i) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
 - (ii) that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - (A) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - (B) the rights and liabilities attaching to the Shares;
- (f) the potential effect the issue of Shares under the Rights Issue will have on the control of the Company is as follows:
 - (i) if all members take up their entitlements under the offer then the Rights Issue will have no effect on the control of the Company;
 - (ii) if some or all members do not take up their entitlements under the offer then the Rights Issue is not expected to have any effect on the control of the Company as the placement of any shortfall by the Company is intended to be allocated to applicants to the shortfall who are sophisticated and professional investors on a first-come first-served basis provided that no particular investor acquires significant, or significantly increases, voting power in the Company.

Yours faithfully



WARREN BECKWITH
DIRECTOR