

Gondwana

RESOURCES LIMITED

GONDWANA RESOURCES LIMITED

ACN 008 915 311

NOTICE OF ANNUAL GENERAL MEETING

TIME: 3.30PM

DATE: Friday 30 May 2008

PLACE: The Celtic Club, 48 Ord Street, West Perth, Western Australia

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company on +61 8 9388 9961 or info@gondwanaresources.com.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders of Gondwana Resources Limited to which this Notice of Meeting relates will be held at 3.30pm on 30 May 2008 at:

The Celtic Club
48 Ord Street
West Perth, Western Australia

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed proxy form and return by:

- (a) post to Gondwana Resources Limited PO Box 2000, Subiaco 6904; or
- (b) facsimile to the Company on facsimile number 61 8 9381 1705,

so that it is received not later than 3.30pm WST on 28 May 2008.

Proxy forms received later than this time will be invalid.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Gondwana Resources Limited will be held at 3.30pm WST on 30 May 2008 at The Celtic Club, 48 Ord Street, West Perth, Western Australia.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the proxy form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company at 5.00pm on 28 May 2008.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

ORDINARY BUSINESS

Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 31 December 2007 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

1. RESOLUTION 1 – RE-ELECTION OF PAUL GOODSALL AS A DIRECTOR

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That Paul Goodsall, who retires by rotation in accordance with Article 3.6 of the Constitution and, being eligible, offers himself for re-election, be re-elected as a director of the Company."

2. RESOLUTION 2 – REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

"That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, the Company adopt the Remuneration Report contained in the Company's annual financial report for the financial year ended 31 December 2007."

3. RESOLUTION 3 – CONSOLIDATION OF CAPITAL

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, pursuant to Section 254H of the Corporations Act, Article 32.3 of the Constitution and for all other purposes, the issued capital of the Company be consolidated on the basis that:

(a) every 10 Shares be consolidated into one (1) Share; and

(b) every 10 Options on issue be consolidated into one (1) Option,

and where this consolidation results in a fraction of a Share or Option being held by a Shareholder or Optionholder (as the case may be), the Directors be authorised to round that fraction up to the nearest whole Share or Option."

4. RESOLUTION 4 – ISSUE OF SHARES TO DIRECTORS PURSUANT TO EMPLOYEE SHARE PLAN

To consider and, if thought fit to pass the following resolution as an **ordinary resolution**:

"That, subject to the passing of Resolution 3, for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.14, and for all other purposes, the Company approves the issue of 1,200,000 Shares at an issue price not less than the average market price of the Shares over the preceding 5 days prior to the issue, to the Directors of the Company, or their respective nominees, pursuant to the Gondwana Employee Share Plan, and otherwise on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by the Directors and any associates of those persons.

5. RESOLUTION 5 – ISSUE OF OPTIONS TO DIRECTORS AND EXECUTIVES

To consider and, if thought fit, to pass, the following resolution as an **ordinary resolution**:

"That, subject to the passing of Resolution 3, for the purposes of Section 208 of the Corporations Act, ASX Listing Rules 7.1 and 10.11 (as applicable) and for all other purposes, approval is given for the Directors to allot and issue 2,200,000 Options on the terms set out in the Explanatory Statement."

Voting Exclusion: In relation to the issue of Options to the Directors, the Company will disregard any votes cast on this Resolution by the Directors and any associates of those persons. In relation to the issue of Options to the Executive, the Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who may obtain a benefit, except a benefit solely in the capacity of a security holder, if the Resolution is passed and any associates of those persons.

6. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF SECURITIES

To consider and, if thought fit, to pass with or without amendment, the following resolution, as an **ordinary resolution**:

"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 6,250,000 Shares at an issue price of 1.6 cents each and 3,000,000 Shares at a price of 1.25 cents each on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this resolution by a person who participated in the issue and any associates of those persons.

7. RESOLUTION 7 – PLACEMENT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to the passing of Resolution 3, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue (on a post-consolidation basis):

(a) *up to 20,000,000 Shares at an issue price of not less than 80% of the average market price for Shares each, calculated over the last 5 trading days prior to issue or, if there is a prospectus relating to the issue, calculated over the last 5 days on which sales in the Shares were recorded before the date the prospectus was signed; together with*

(b) *up to 10,000,000 free attaching options on the basis of 1 option for every 2 shares issued pursuant to part (a) of this resolution,*

by means of a placement or placements to Shareholders and other investors (including the general public) and otherwise, on the terms set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who may obtain a benefit, except a benefit solely in the capacity of a security holder, if the Resolution is passed and any associates of those persons.

8. RESOLUTION 8 – PARTICIPATION IN PLACEMENT BY DIRECTORS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to the passing of Resolution 7, for the purpose of ASX Listing Rule 10.11 and for all other purposes, the Company approves the following persons, or their respective nominees, participating in the placement the subject of Resolution 7 up to the number of Shares described opposite their names below together with 1 free attaching option for every 2 Shares subscribed and paid for by them:

Name	Position	Maximum number of shares	Maximum number of options
Warren Beckwith	Managing Director	4,000,000	2,000,000
Paul Goodsall	Company Secretary & Director	500,000	250,000
Steven Pynt	Non Executive Director	1,000,000	500,000

Voting Exclusion: The Company will disregard any votes cast on this Resolution by the Directors and any associates of those persons.

Date: 24 April 2008
By order of the Board



GONDWANA RESOURCES LIMITED
WARREN BECKWITH
DIRECTOR

Voting Exclusion Note:

Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the Annual General Meeting to be held at 3.30pm (WST) on 30 May 2008, at The Celtic Club, 48 Ord Street, West Perth, Western Australia.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

1. ANNUAL FINANCIAL REPORT

The financial report of the Company for the year ended 31 December 2007 (including the financial statements, Directors' report and auditors' report) was included in the 2007 annual report distributed to Shareholders.

Time will be allowed during the meeting for consideration by Shareholders of the financial report and the associated Directors' and auditors' reports.

2. RESOLUTION 1 – RE-ELECTION OF PAUL GOODSALL AS A DIRECTOR

Article 3.6 of the Constitution requires that one third of the Directors in office (other than any Managing Director) must retire at each annual general meeting.

Mr Paul Goodsall therefore retires at the Annual General Meeting in accordance with the Constitution and, being eligible, has offered himself for re-election at the Annual General Meeting.

3. RESOLUTION 2 – REMUNERATION REPORT

The Remuneration Report is contained in the Directors' Report section of the Company's 2007 annual report.

The Remuneration Report describes the underlying policies and structure of the remuneration arrangements of the Company and sets out the remuneration arrangements in place for Directors and senior executives.

The Corporations Act requires that a resolution to adopt the Remuneration Report be put to the vote of the Company. However, Shareholders should note that the vote on Resolution 2 is not binding on the Company or its Directors.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

4. RESOLUTION 3 – CONSOLIDATION OF CAPITAL

4.1 Background

The Directors are seeking shareholder approval to consolidate the number of Shares and Options on issue on a one (1) for ten (10) basis to be effected immediately following the meeting. The consolidation of the capital structure is being undertaken because the Directors believe the consolidated capital structure of the Company will be more appropriate to going forward.

Section 254H of the Corporations Act provides that a company may, by a resolution passed in a general meeting of shareholders, convert all or any of its shares into a larger or smaller number of shares.

If Resolution 3 is passed, the number of Shares on issue will be reduced from 578,880,002 to approximately 57,888,000. The number of 2008 Options on issue will be reduced from 23,993,000 to approximately 2,399,300, the number of 2009 Options on issue will be reduced from 22,431,984 to approximately 2,243,198 and the 2010 Options on issue will be reduced from 116,865,913 to approximately 11,686,591. The exercise price of each of the Options will be increased by a multiple of 10.

These figures are current as at the date of this Notice of Meeting and do not take into account any options that may be exercised between that date and the date of the Meeting.

As from the effective date of the Resolution (being the date of the General Meeting), all holding statements for Shares and Options will cease to have any effect, except as evidence of entitlement to a certain number of post-consolidation Shares and Options. After the Consolidation becomes effective, the Company will arrange for new holding statements to be issued to shareholders and option holders.

4.2 Indicative Timetable

The following is an indicative timetable for completion of the Consolidation:

Event	Date
Snapshot date for eligibility to vote at the Annual General Meeting (which is the date on which you must own Shares)	5.00pm 28 May 2008
Annual General Meeting	30 May 2008
Consolidation	30 May 2008
Deferred settlement trading commences	2 June 2008
Record Date	9 June 2008
Dispatch Date for security holding statements	16 June 2008

4.3 Effect on Capital Structure

The effect that the Consolidation will have on the capital structure of the Company is as follows (ignoring fractional entitlements):

Shares			
Current	578,880,002		
Post-Consolidation	57,888,000		

Options	Expiry Date – 30 June		
	2008	2009	2010
Current	23,993,000	22,431,984	116,865,913
Current Exercise Price	\$0.05	\$0.01	\$0.012
Post Consolidation	2,399,300	2,243,198	11,686,591
New Exercise Price	\$0.50	\$0.10	\$0.12

Note: These figures do not include any Shares or Options proposed to be issued under Resolutions 4 to 8.

4.4 Fractional entitlements and taxation

Not all Shareholders and Option holders will hold that number of Shares and Options which can be evenly divided by 10. Where a fractional entitlement occurs, the Directors will round that fraction up to the nearest whole Share or Option.

Shareholders and option holders are advised to seek their own tax advice on the effect of the Consolidation and neither the Company, nor the Directors (nor the Company's advisers) accept any responsibility for the individual taxation consequences arising from the Consolidation.

5. RESOLUTION 4 – ISSUE OF SHARES TO DIRECTORS PURSUANT TO EMPLOYEE SHARE PLAN

5.1 General

As set out in the Company's ASX announcement on 20 November 2007 and as further set out in the Company's Offer Document issued on 7 December 2007, the Company has entered into agreements (subject to Shareholder approval) to issue to the Directors:

- (a) Shares under the Gondwana Employee Share Plan (**Plan**) (which issue is the subject of this Resolution); and
- (b) Incentive Options (which issue is the subject of Resolution 5).

Resolution 4 seeks Shareholder approval for the issue of a maximum of 1,200,000 fully paid ordinary shares pursuant to the Plan (**Plan Shares**) to the Directors as set out in the Table below.

The Plan Shares will be issued at a price not less than average market price for fully paid ordinary shares over the 5 days prior to the issue.

Name	Position	Maximum number of Shares now to be issued (post-consolidation)	Number of Plan Shares previously issued (post-consolidation)
Warren Beckwith	Executive Director	800,000	Nil
Paul Goodsall	Non Executive Director	200,000	Nil
Steven Pynt	Non Executive Director	200,000	Nil
		1,200,000¹	Nil¹

¹As was also announced on 20 November 2007, the Directors also propose to issue 400,000 Plan Shares to Mr David Burton, Chief Consulting Geologist (in addition to the, 800,000 post-consolidation Plan Shares allotted to him 19 November 2007. David Burton is not a Director of the Company. On 19 November 2007, a further 275,000 post-consolidation Plan Shares have been allotted to general staff and consultants; none of the allottees are Directors of the Company. No other shares have been issued pursuant to the Plan since the Plan was first approved on 28 April 2000. No shares have been issued to the Directors pursuant to the Plan since the Plan was first approved on 28 April 2000.

The Plan Shares to be issued pursuant to Resolution 4 are fully paid ordinary shares in the capital of the Company and will rank equally with all other Shares on issue.

Participants in the Plan may only dispose of or grant an encumbrance over Plan Shares subject to the terms of the Plan and within the time frame set out in the following table:

Time frame	Percentage of Plan Shares that may be disposed of or encumbered
Within 1 year of issue date	33.3%
Within 2 years of issue date	66.6%
After 2 years of issue date	100.00%

No funds will be raised by the issue of the Plan Shares to the Directors as, under the terms of the Plan, the subscription price will be lent to the Participants by the Company. The loan is made interest free. In accordance with the terms and conditions of the Plan, during the term of any such loan, dividends paid in respect of the Plan Shares in relation to which the Company made the loan will be retained by the Company and applied towards repayment of the loan. The outstanding loan balance may be repaid at any time, unless the participant ceases involvement with the Company, in which case the loan must be repaid by the participant within 30 days. If a participant is required to sell their Plan Shares and settle the loan, and the proceeds of the sale of the Plan Shares do not cover the outstanding loan balance, the Company will meet the loss on the loan. This means that the loan will effectively be linked to the value of the Shares.

Note: The Plan Shares issued to the Directors will be issued no later than 12 months after the date of the Meeting (or such later dates as is permitted by ASX).

5.2 Shareholder Approval (Chapter 2E of the Corporations Act and ASX Listing Rule 10.4) for the issue of Plan Shares to the Directors

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

In addition, ASX Listing Rule 10.14 also provides that an entity must not permit a director of the entity to acquire securities under an employee incentive scheme without the approval of shareholders of the acquisition.

Shareholder approval is required under Chapter 2E of the Corporations Act and ASX Listing Rule 10.14 for the issue of the Plan Shares to the Directors because each of them is a Director and each of them is therefore a related party of the Company.

For the purposes of sections 217 to 227 of the Corporations Act and ASX Listing Rule 10.15, the following information is provided to allow Shareholders to assess the proposed issue of the Plan Shares:

- (a) the maximum number of the Plan Shares (being the nature of the financial benefit being provided) to be issued to the Directors is:
 - (i) 800,000 Shares to Warren Beckwith;
 - (ii) 200,000 Shares to Paul Goodsall; and
 - (iii) 200,000 Shares to Steven Pynt;
- (b) the Plan Shares will be issued at an issue price not less than the average market price of the Shares over the last 5 days prior to the issue;
- (c) the value of the Plan Shares to be granted cannot be determined with certainty as this will depend on the market price of Shares at the time of issue. However based on the average market price of Shares calculated over the 5 trading days prior to the date of this Notice, the Shares have a value of 2.2 cents per Share;
- (d) the Directors currently have an interest in the following securities in the Company (on a post-consolidation basis);

	Shares	Options
Warren Beckwith	4,441,967	740,328
Paul Goodsall	-	-
Steven Pynt	67,590	-

- (e) the remuneration and emoluments from the Company to the Related Parties for both the current financial year and previous financial year are set out below:

Related Parties	Current Financial Year	Previous Financial Year
Warren Beckwith	215,400 ¹	\$212,700
Paul Goodsall	70,390 ¹	\$27,250
Steven Pynt	27,340 ¹	\$27,250

¹ Doesn't include the value of the Incentive Options to be issued under Resolution 5.

- (f) if the Plan Shares are issued to the Directors, a total of 1,200,000 Shares would be allotted and issued. This will increase the number of Shares on issue from 57,880,000 to 59,080,000 (on a post consolidation basis and assuming that no other options are exercised and no other Shares issued);
- (g) the Plan Shares to be issued are fully paid ordinary shares in the Company and shall rank pari passu with existing Shares;
- (h) the Plan Shares will be granted to the Directors no later than 12 months after the date of the Meeting;
- (i) the primary purpose for the issue of the Plan Shares under the Share Plan is to provide a market-linked incentive component in the remuneration package for the Directors and for the future performance by the Directors in managing the operations and strategic direction of the Company.
- (j) In addition, the Board considers that the issue of Plan Shares pursuant to the Share Plan as proposed (and set out in this Explanatory Statement) is reasonable given that the performance criteria will direct the Directors to specific performance targets for the Company, which aligns the interests of the Directors with those of Shareholders;
- (k) the Directors believe that the issue of Plan Shares pursuant to the Share Plan provides cost effective consideration to the Directors for their ongoing commitment and contribution to the Company in their respective roles as Directors of the Company. Given this purpose, the Directors do not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Plan Shares upon the terms proposed;

- (l) the Board acknowledges the issue of Plan Shares to Mr Goodsall and Mr Pynt is contrary to Recommendation 9.3 of the ASX Good Corporate Governance and Best Practice Recommendations. However, the Board considers the grant of Plan Shares to Mr Goodsall and Mr Pynt is reasonable in the circumstances. The Board considers that the issue of Plan Shares pursuant to the Share Plan aligns the interests of Mr Goodsall and Mr Pynt with the interests of Shareholders;
- (m) prior issues of Shares under the Share Plan are set out in Footnote 1 to the table in Section 5.1;
- (n) as at the date of this Notice of Meeting no persons other than the Directors and those persons set out in Footnote 1 to the table in Section 5.1 are entitled to participate in the Share Plan;
- (o) details of any Shares actually issued to the Directors under the Share Plan will be published in each annual report of the Company relating to the period in which such Shares have been issued, and that approval for the issue of Shares to the Participating Directors was obtained under ASX Listing Rule 10.14; and
- (p) each of the Directors declines to make a recommendation to Shareholders in relation to Resolution 4 due to their respective material personal interest in the outcome of the Resolution. The Board are not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company.

6. RESOLUTION 5 - ISSUE OF OPTIONS TO DIRECTORS AND EXECUTIVES

6.1 General

As set out in the Company's ASX announcement on 20 November 2007 and as further set out in the Company's Offer Document issued on 7 December 2007, the Company has entered into agreements (subject to Shareholder approval) to issue to the Directors (**Related Parties**) and David Burton (Chief Consulting Geologist):

- (a) Shares under the Gondwana Employee Share Plan (**Plan**) (which issue is the subject of Resolution 4); and
- (b) Incentive Options (which issue is the subject of this Resolution).

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

The grant of the Incentive Options to the Related Parties requires the Company to obtain Shareholder approval because the grant of Incentive Options constitutes giving a financial benefit and as Directors, Messrs Beckwith, Goodsall and Pynt are Related Parties of the Company.

It is the view of the Directors that the exceptions set out in Sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of Incentive Options to the Related Parties.

6.2 Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.11) for the issue of Incentive Options to the Directors

Pursuant to and in accordance with the requirements of Sections 217 to 227 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed grant of Incentive Options:

- (a) the Related Parties are Messrs Beckwith, Goodsall and Pynt and they are Related Parties by virtue of being Directors;

- (b) the maximum number of Incentive Options (being the nature of the financial benefit being provided) to be granted is shown in the table below (on a post-consolidation basis):

Name	Position	Maximum Number of Incentive Options
Warren Beckwith	Executive Director	600,000
Paul Goodsall	Non-Executive Director	300,000
Steven Pynt	Non-Executive Director	300,000
		1,200,000

- (c) the Incentive Options will be granted to the Related Parties no later than 1 month after the date of the Annual General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Incentive Options will be issued on one date;
- (d) the Incentive Options will be granted for nil cash consideration, accordingly no funds will be raised;
- (e) the terms and conditions of the Incentive Options are set out in Schedule 1 and Section 6.4 below;
- (f) the value of the Incentive Options and the pricing methodology is set out in Schedule 2;
- (g) the relevant interests of the Related Parties in securities of the Company is set out below:

Related Parties	Shares	Options
Warren Beckwith	4,441,967	740,328
Paul Goodsall	-	-
Steven Pynt	67,590	-

- (h) the remuneration and emoluments from the Company to the Related Parties for both the current financial year and previous financial year are set out below:

Related Parties	Current Financial Year	Previous Financial Year
Warren Beckwith	\$215,400 ¹	\$212,700
Paul Goodsall	\$70,390 ¹	\$27,250
Steven Pynt	\$27,340 ¹	\$27,250

¹ Doesn't include the value of the Incentive Options to be issued under Resolution 5.

- (i) if the Incentive Options granted to the Related Parties are exercised, a total of 1,200,000 Shares (on a post-consolidation basis) will be allotted and issued. This will increase the number of Shares on issue from 57,880,000 to 59,080,000 (on a post consolidation basis and assuming that no other Options are exercised and no other Shares issued) with the effect that the shareholding of existing Shareholders would be diluted as follows:

Related Parties	Issued Shares as at the date of this Notice of Meeting (post consolidation basis)	Incentive Options to be issued (post consolidation basis)	Issued Shares upon exercise of all Related Party Incentive Options (post consolidation basis)	Dilutionary effect upon exercise of Incentive Options
Warren Beckwith	4,441,967	600,000	59,080,000	1.02%
Paul Goodsall	-	300,000	59,080,000	0.52%
Steven Pynt	67,590	300,000	59,080,000	0.52%
Total	4,509,557	1,200,000		2.06%

The market price for Shares during the term of the Incentive Options would normally determine whether or not the Incentive Options are exercised. If, at any time any of the Incentive Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Incentive Options, there may be a perceived cost to the Company;

- (j) the trading history of the Shares on ASX in the 12 months before the date of this Notice of Annual General Meeting is set out below:

	Price	Date
Highest	6 cents	8 January 2008
Lowest	1 cent	17 August 2007
Last	2.2 cents	18 April 2008

- (k) the primary purpose of the grant of Incentive Options to the Related Parties is to provide cost effective consideration to the Related Parties for their ongoing commitment and contribution to the Company in their respective roles as Directors. The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Incentive Options upon the terms proposed; and
- (l) Each of the Directors declines to make a recommendation to Shareholders in relation to Resolution 5 due to his material personal interest in the outcome of the Resolution. The Board are not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the Resolution.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Incentive Options to the Related Parties as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Incentive Options to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

6.3 Shareholder Approval (ASX Listing Rule 7.1) for the issue of Incentive Options to Mr David Burton

(a) **General**

Resolution 5 also seeks Shareholder approval for the allotment and issue of 1,000,000 Incentive Options to Mr David Burton, Chief Consulting Geologist of the Company.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

The effect of Resolution 5, insofar as it pertains to the issue of Incentive Options to Mr Burton, will be to allow the Directors to issue the Incentive Options during the period of 3 months after the Annual General Meeting (or a longer period, if allowed by ASX), without using the Company's annual 15% placement capacity.

(b) **Technical Information Required by ASX Listing Rule 7.3**

The following information is provided in relation to the Placement pursuant to and in accordance with Listing Rule 7.3:

- (i) the maximum number of Incentive Options to be issued is 1,000,000 (on a post-consolidation basis);
- (ii) the Incentive Options will be issued for nil cash consideration and accordingly no funds will be raised from their issue;
- (iii) the Incentive Options will be issued no later than three (3) months after the date of the Annual General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (iv) the Incentive Options will be issued to Mr David Burton; and
- (v) The incentive Options will be issued on the terms and conditions set out in Schedule 1.

6.4 Principal Terms of Incentive Options

In accordance with the agreements entered into with the Directors and Mr Burton, the Incentive Options issued to each party will be unlisted and 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%

The full terms and conditions of the Incentive Options are set out in Schedule 1.

7. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF SECURITIES

7.1 General

In November 2007, the Company issued 9,250,000 Shares to the allottees listed below. Neither of the allottees is a related party of the Company. Resolution 6 seeks shareholder ratification pursuant to Listing Rule 7.4 for the issue of those Shares (**Ratification**).

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% threshold set out in ASX Listing Rule 7.1 without the requirement to obtain prior shareholder approval.

7.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 9,250,000 Shares (on a pre-consolidation basis) were allotted and issued to the parties set out below:

Allottee	Number of Shares	Issue Price per Share
Rockdale Capital Pty Ltd	6,250,000	\$0.016
Ausprey Resources Pty Ltd	3,000,000	\$0.0125
	9,250,000	

- (b) the Shares were allotted and issued on 13 and 19 November 2007 respectively;
- (c) the Shares issued were all full paid ordinary shares in the capital of the Company;
- (d) the funds raised from the issue to Rockdale Capital Pty Ltd were for general working capital; and
- (e) the issue to Ausprey Resources Pty Ltd was in consideration for the purchase of a mineral prospect and accordingly no funds were raised from this issue.

8. RESOLUTION 7 – PLACEMENT

8.1 General

Resolution 7 seeks Shareholder approval for the allotment and issue of up to 20,000,000 Shares (on a post-consolidation basis) at an issue price of not less than 80% of the average market price for Shares, calculated on the basis of the 5 trading days prior to issue or, if there is a prospectus relating to the issue, calculated over the last 5 days on which sales in the Shares were recorded before the date the prospectus was signed, together with up to 10,000,000 Options (**Placement Options**) (on a post-consolidation basis) on the basis of 1 free attaching Placement Option for every 2 Shares issued (**Placement**).

Depending on the Directors' assessment of market conditions at the time of the Placement, no free Placement Options may be attached to the Shares offered but, in any event, the maximum number of Placement Options that may be issued in the Placement is 10,000,000.

After payment of the costs of the Placement, the funds will be used to explore and develop the Company's existing exploration prospects, new projects, investments in mining or other sectors, repay debt (if any) and provide the Company with general working capital.

The effect of Resolution 7 will be to allow the Directors to issue the Shares and Placement Options pursuant to the Placement during the period of 3 months after the Annual General Meeting (or a longer period, if allowed by ASX), without using the Company's annual 15% placement capacity.

It is intended that part of, or the entire Placement will be made pursuant to a prospectus or an offer information statement and offered to investors (including the general public) and shareholders. In this case, shareholders will be given a priority invitation to subscribe for shares in the placement or part placement.

8.2 Technical Information Required by ASX Listing Rule 7.3

The following information is provided in relation to the Placement pursuant to and in accordance with Listing Rule 7.3:

- (a) the maximum number of Shares to be issued is 20,000,000 (on a post-consolidation basis) and the maximum number of Placement Options to be issued is 10,000,000 (on a post-consolidation basis); Options will be issued on the basis of 1 Placement Option for every 2 Shares issued;
- (b) the Shares will each be issued at not less than 80% of the average market price for Shares calculated for the 5 trading days prior to the issue or, if there is a prospectus relating to the issue, calculated over the last 5 days on which sales in the Shares were recorded before the date the prospectus was signed;
- (c) the Shares will be fully paid ordinary shares in the capital of the Company and will rank equally with the Company's current issued Shares;
- (d) the Shares and Placement Options will be issued no later than three (3) months after the date of the Annual General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (e) the Directors will determine to whom the Shares (and attaching Placement Options) will be issued but these persons will not be related parties of the Company except to the extent approved pursuant to Resolution 8;
- (f) the Placement Options to be issued pursuant to Resolution 7 will be exercisable at any time on or before 30 June 2011 and the exercise price for each Placement Option will be the higher of 12 cents (on a post-consolidation basis) and 80% of the average market price for Shares calculated for the 5 trading days prior to the issue or, if there is a prospectus relating to the issue, calculated over the last 5 days on which sales in the Shares were recorded before the date the prospectus was signed. The Placement Options will be otherwise exercisable on the terms and conditions set out in Schedule 1; and
- (g) the Company intends to use the funds raised from the Placement for the purposes set out in paragraph 8.1 above, that is the funds will be used after payment of the costs of the Placement to explore and develop the Company's existing exploration prospects, new projects, investments in mining or other sectors, repayment of debt (if any) and provision of general working capital.

9. RESOLUTION 8 – PARTICIPATION IN PLACEMENT BY DIRECTORS

It is possible that the Directors of the Company may participate in the placement the subject of Resolution 7. As the Directors are related parties of the Company by virtue of their position as Directors, ASX Listing Rule 10.11 requires the Company to obtain shareholder approval for them to participate in the placement. Resolution 8 seeks that approval.

Each of the Directors has indicated the maximum amounts they may be interested in subscribing under the placement, and those amounts are set out in Resolution 8 against each Director. The maximum number of Shares that may be taken up by the Directors will be equal to an amount up to the amount described next to each Director's name. The issue price of the Shares will be not less than 80% of the average market price for Shares, calculated on the basis of the 5 trading days prior to issue or, if there is a prospectus relating to the issue, calculated over the last 5 days on which sales in the Shares were recorded before the date the prospectus was signed. The number of Placement Options that may be taken up by the Directors will be determined on the basis of 1 Placement Option for each 2 Shares subscribed for by the Directors.

The Directors may participate in the Placement to the maximum extent set out in Resolution 8 and on the same basis as each other investor or shareholder. The Shares (together with the Placement Options) will be issued no later than one (1) month after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date.

All other information relating to the Placement is set out above in Section 8 of this Explanatory Statement.

Resolution 8 is an ordinary resolution requiring it to be passed by a simple majority of votes cast by the shareholders entitled to vote on it. The Directors decline to make a recommendation in respect of voting on Resolution 8, given their interests set out in this Explanatory Statement.

GLOSSARY

Annual General Meeting means the meeting convened by the Notice.

ASIC means the Australian Securities and Investments Commission.

ASX means Australian Securities Exchange Limited.

ASX Listing Rules or **Listing Rules** means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Company means Gondwana Resources Limited (ACN 008 915 311).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors mean the current directors of the Company.

Explanatory Statement means this explanatory statement which forms part of the Notice.

Gondwana Employee Share Plan or **Plan** means the plan approved by Shareholders at a general meeting held on 28 April 2000 and further approved by Shareholders at a general meeting held on 23 April 2007.

Incentive Options means an Option granted pursuant to Resolution 5 on the terms and conditions set out in Schedule 1 of the Explanatory Statement.

Notice means the notice of meeting of which this Explanatory Statement forms part.

Option means an option to acquire a Share.

Placement Option means an option to acquire a Share on the terms and conditions set out in Schedule 3 of the Explanatory Statement.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Securities means Shares and Options.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

WST means Western Standard Time, Perth, Western Australia.

2008 Options means Options currently issue with an expiry date of 30 June 2008.

2009 Options means Options currently issue with an expiry date of 30 June 2009.

2010 Options means Options currently issue with an expiry date of 30 June 2010.

SCHEDULE 1

TERMS AND CONDITIONS OF INCENTIVE OPTIONS

1. Each Option entitles the holder to one fully paid ordinary Share in Gondwana Resources Limited ("Company").
2. The Options are exercisable at any time on or prior to 5pm (WST) on the date determined and announced at the time of issue of the Options ("Expiry Date") by completing an Option exercise form and delivering it together with the payment for the number of Shares in respect of which the Options are exercised to the registered office of the Company.
3. The Option exercise price is as set out on Section 6.4 of the Explanatory Statement accompanying the Notice of Annual General Meeting on 30 May 2008.
4. Subject to the Corporations Act, the Australian Stock Exchange ("ASX") Listing Rules and the Company's constitution, the Options are not transferable.
5. All the Company's Shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then issued Shares.
6. The Company will apply for official quotation by ASX of all Shares issued upon exercise of the Options.
7. There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 business days after the issue is announced. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
8. If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the ASX Listing Rules.
9. The Company will not apply for official quotation by ASX of the Options.

SCHEDULE 2

The Incentive Options to be issued to the Related Parties pursuant to Resolution 6 have been internally valued.

Using the theoretical Black & Scholes option model and based on the assumptions set out below, the Incentive Options were ascribed a value range, as follows:

	2010 Options	2011 Options
Assumptions:		
Valuation date	18/04/08	18/04/08
Market price of Shares*	\$0.22	\$0.22
Exercise price*	\$0.20	\$0.30
Expiry date	30/6/10	31/12/11
Risk free interest rate	7.55%	7.56%
Volatility	25%	25%
Indicative value per Director Option*	\$0.061	\$0.039
Total Value of Director Options		
Warren T Beckwith (300,000 – 2010 Options, 300,000 – 2011 Options)	\$18,195	\$11,755
Steven Pynt (150,000 – 2010 Options, 150,000 – 2011 Options)	\$9,098	\$5,877
Paul Goodsall (150,000 – 2010 Options, 150,000 – 2011 Options)	\$9,098	\$5,877

* Post-consolidation

Note: The valuation ranges noted above are not necessarily the market prices that the Incentive Options could be traded at and they are not automatically the market prices for taxation purposes.

SCHEDULE 3

TERMS AND CONDITIONS OF PLACEMENT OPTIONS

1. Each Option entitles the holder to one fully paid ordinary share in Gondwana Resources Limited ("Company").
2. The Options are exercisable at any time on or prior to 5pm (WST) on 30 June 2011 ("Expiry Date") by completing an Option exercise form and delivering it together with the payment for the number of shares in respect of which the Options are exercised to the registered office of the Company.
3. The Option exercise price is as set out on Section 8 of the Explanatory Statement accompanying the Notice of Annual General Meeting on 30 May 2008.
4. Subject to the Corporations Act, the Australian Stock Exchange ("ASX") Listing Rules and the Company's constitution, the options are freely transferable.
5. All the Company's Shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then issued Shares.
6. The Company will apply for official quotation by ASX of all Shares issued upon exercise of the Options.
7. There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 business days after the issue is announced. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
8. If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the ASX Listing Rules.
9. The Company will apply for official quotation by ASX of the Options provided there is sufficient spread.

PROXY FORM

**APPOINTMENT OF PROXY
GONDWANA RESOURCES LIMITED
ACN 008 915 311**

I/We

being a Member of Gondwana Resources Limited entitled to attend and vote at the Meeting, hereby

appoint

(Name of proxy)

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the General Meeting to be held at 3.30pm on 30 May 2008 at the Celtic Club, 48 Ord Street, West Perth, Western Australia and at any adjournment thereof. If no directions are given, the Chairman will vote in favour of all of the resolutions.

Voting on Business of the General Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Re-election of Paul Goodsall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Consolidation of Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Issue of Plan Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of Incentive Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Ratification of Share Issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Participation in Placement by Directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If the Chairman of the Meeting is appointed as your proxy, or may be appointed by default and you do **not** wish to direct your proxy how to vote as your proxy in respect of a resolution, please place a mark in this box.

By marking this box, you acknowledge that the Chairman of the meeting may exercise your proxy even though he has an interest in the outcome of the Resolutions 4 to 8 and votes cast by him other than as proxy holder will be disregarded because of that interest. The Chairman will vote in favour of all of the resolutions if no directions are given. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on Resolutions 4 to 8 and your votes will not be counted in calculating the required majority if a poll is called on Resolutions 4 to 8.

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.

Signed this day of

2008 by:

Individuals and joint holders

Companies (affix common seal if appropriate)

GONDWANA RESOURCES LIMITED
ACN 008 915 311

Instructions for Completing 'Appointment of Proxy' Form

1. A member entitled to attend and vote at a Meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.
3. Corporate shareholders should comply with the execution requirements set out on the proxy form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - directors of the company;
 - a director and a company secretary of the company; or
 - for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a proxy form will not prevent individual shareholders from attending the meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the meeting
5. Where a proxy form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
6. To vote by proxy, please complete and sign the proxy form enclosed:
 - (a) mail the proxy form by post to Gondwana Resources Limited PO Box 2000, Subiaco, Western Australia 6904; or
 - (b) by facsimile to the Company on facsimile number 61 8 9381 1705,

so that it is received not later than 3.30pm WST on 28 May 2008.