

## ACTIVITIES REPORT FOR THE MARCH QUARTER 2008

### Parker Range Exploration

Gondwana holds a large portfolio of prospective tenements (~290 km<sup>2</sup>) located in the Southern Cross Greenstone Belt immediately south of St Barbara's Marvel Loch Gold Operations and 80km north of Western Areas Forrestania Nickel Operations. The Southern Cross area is a well recognised regional mining centre offering excellent established infrastructure and a long gold mining tradition. Past production and current resources in the region exceed 12Mozs of gold and 1,100,000t of nickel (Figure 1).

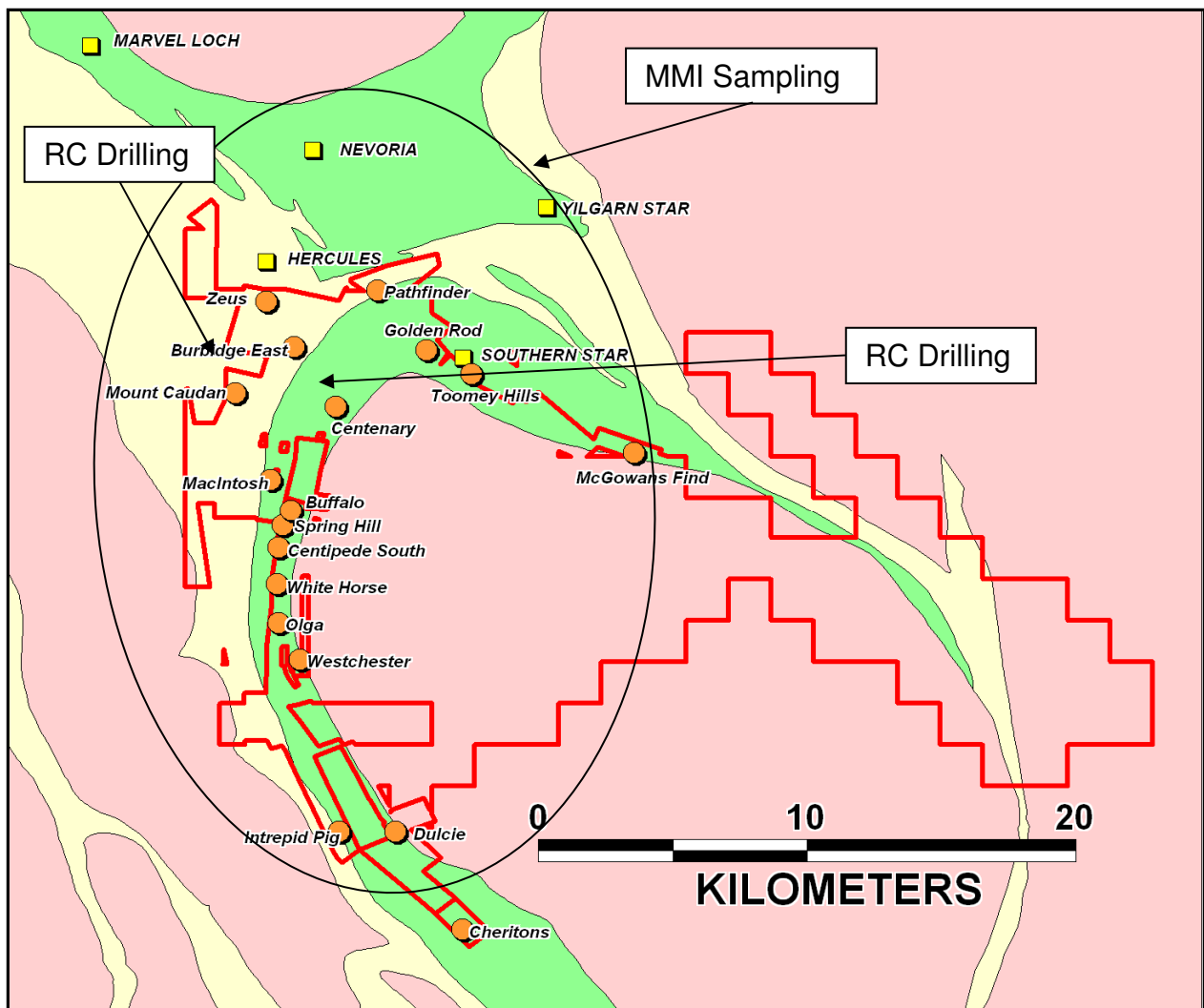


Figure 1: Location Map showing Gondwana's tenure, prospects and greenstone areas (Yellow & Green)

### ***Centenary RC Drilling***

An infill drilling program was conducted at the Centenary prospect in March 2008 where high-grade gold mineralisation in narrow quartz veins was identified in mid-2004. In total, 10 RC holes were completed for 721m and a total of 223 samples were analysed for gold by fire assay at SGS in Perth. Drillhole locations are shown in Figure 1.

The Company is very encouraged by new quartz intercepts which include 2m @ 6.65 g/t Au from 57m in CTRC08013, 2m @ 5.26 g/t Au from 77m in CTRC08014, 1m @ 4.45 g/t Au from 41m in CTRC08009 and 1m @ 33.8 g/t Au from 55m in CTRC08010.

New gold intersections within the BIF horizon include 4m @ 1.93 g/t Au from 64m in CTRC08014, 12m @ 1.38 g/t Au from 82m in CTRC08015 (~8m true width), 2m @ 7.21 g/t Au from 50m in CTRC08013 (followed by 3m of backfill material from old workings) and 1m @ 29.2 g/t Au from 63m in CTRC08018 (CTRC08018 ended in mineralisation due to bit failure).

Results confirm that high-grade gold mineralisation at Centenary is most closely associated with a 0.5m – 1.0m wide quartz vein transecting a 4m – 5m wide BIF horizon. Sulfide replacement style mineralisation along the BIF appears to be confined to approximately 20m of strike distance around the intersection. The NNW trend of the quartz veins appears to intersect and relate to at least five lines of old workings trending NNE, including the BIF horizon. This trend remains open along strike and at depth below a depth of 80m from surface.

Gondwana anticipates a return to Centenary in June 2008 to further explore the quartz veins, particularly to the southeast towards historic workings. This resource evaluation work will form part of a more expansive exploration drill program to test new MMI soil anomalies (see below) and extend known resource areas at both Buffalo and Spring Hill.

### ***Parker Range MMI Sampling***

The Southern Cross-Marvel Loch region exhibits zones of near surface gold depletion related to oxidation of the profile (noted at both the Marvel Loch and Yilgarn Star gold mines). Drill data for Gondwana's landholding reveals large strike lengths of favourable host rocks that remain untested below the base of oxidation. MMI is considered to be an ideal exploration technique for identifying drill targets in weathered environments.

A further 5,000 soil samples were collected in late-February 2008 of which 3,000 were submitted to ALS for MMI analysis. ALS experienced delays in completing their analyses following the sale of a key supplier to SGS. Consequently results for the latest phase of sampling will be delayed until the June 2008 Quarter.

Sampling was conducted on 100m spaced lines with samples collected at 50m spacing over the lesser prospective areas and at 25m spacing over ground with more complex geology. Initially, alternate samples were submitted to the laboratory for analysis and later anomalous areas had the intermediate infill samples submitted to better clarify the anomaly.

At all individual sample sites the following information was recorded – sample position (easting + northing via GPS), sample colour, grain size, slope of terrain, sample depth, vegetation and rock type. This information will be used to further classify the geology into domains based on rock type.

Results are ultimately reported as response ratios which better define anomalous sample sites. The ratios are calculated by dividing the raw data by the background value for each of the elements assayed where background is determined as the mean of the lower 25% of values.

Preliminary results for the Q4-2007 sample phase are reported in the Company's December Quarter report and show significant gold anomalies in soils surrounding the Centenary prospect and west of the Burbidge prospect at **Zeus**. These areas will be further drill tested following approval of Gondwana's work plans by DEP and DoIR.

### **Mt Caudan Iron Ore Project**

*Cazaly Iron Pty Ltd earning 80%*

*Gondwana (15%) and Richmond (5%) carried interests*

Cazaly Iron Pty Ltd, a subsidiary of Cazaly Resources Limited (ASX:CAZ) completed a program of drilling for iron ore at Mt Caudan during the quarter and has reported as follows:

*"A small RC drilling program was completed with a total of 16 holes drilled for 1,070 metres. There were some drill problems and 4 holes had to be abandoned prior to reaching target. Canga was observed in some holes (commonly with magnetite), varying in thickness between a few metres up to 14 metres. Goethite is the predominant ore mineral in the ore body, with lesser Hematite and Martite.*

*High grade of weathering was observed and some holes had thick layer of clay, where samples were collected as composite. Interpretation is ongoing with results due in the forthcoming quarter.*

*Pursuant to an underlying agreement between Gondwana ("GDA") and St. Barbara Mines Ltd ("SBM") SBM have various buy back rights which the Company is currently seeking clarification on.*

*Results from the first few holes received to date are as follows:*

**Table of Significant Intercepts (>55% Fe)**

Hole ID	East	North	Hole Depth	Local Azm	Dip	From	Intercept					
							Length	Fe %	SiO2%	P%	S%	LOI%
PKRC0014	742,248	6,498,728	38	113	-60	7	13	56.4	4.35	0.01	0.12	10.36
" "						23	8	58.9	3.09	0.01	0.12	9.19
" "						34	4	53.4	13.40	0.01	0.07	9.07
PKRC0015	742,170	6,498,764	9	113	-60		0	NSA				
PKRC0016	742,165	6,498,765	112	104	-60	58	5	58.2	4.19	0.01	0.03	10.61
" "						66	7	58.7	4.65	0.01	0.03	10.14
" "						77	12	55.8	9.33	0.02	0.03	9.60
" "						101	6	56.8	5.22	0.01	0.24	9.49
PKRC0017	742,421	6,499,439	65	123	-60	6	29	59.5	2.74	0.05	0.13	9.30
PKRC0018	742,401	6,499,449	75	117	-60	31	17	56.8	3.73	0.01	0.09	9.73
PKRC0019	742,372	6,499,461	90	115	-60	29	4	57.0	2.65	0.00	0.09	10.44
" "						52	17	57.6	3.35	0.02	0.06	9.86

- *Holes located on WGS84 Zone 50.*
- *All assays conducted by XRF spectrometry on fused bead with Loss on Ignition (LOI) determined by Thermo-Gravimetric Analysers.*
- *Significant results calculated over a minimum 2m width using 55% Fe lower cut-off and up to 2m of internal dilution.*

*Holes PKRC0014 and 0015 had to be abandoned before target depths were reached. Results from the remaining holes drilled may be delayed due to re-checking and laboratory backlog."*

## East Pilbara



**Figure 2: The historic Comet Mine looking East towards E45/2480**

Since the end of the quarter, a helicopter-supported program of surface sampling was conducted at E45/2585 and E45/2480 in the East Pilbara. This included a 3km sampling traverse along western boundary of E45/2585 travelling south along interpreted fault zone. Rock samples collected included one exposure of malachite-quartz and two iron-rich BIF locales. Further exposures of fault-bound quartz located on a distinctive N-S ridgeline could not be accessed due to terrain conditions considered impassable on foot without climbing equipment and prohibitive to helicopter landing. Completed four traverses 2,3,4, and 6 (6km total) across Corunna Downs Iron prospect collecting 24 representative rock samples of principally Jaspilite (iron-rich taconite) and iron-rich laterite.

The historic Comet Mine produced 120koz between 1936-55, predominantly from a single large open stope measuring 40m x 5m x 150m (approximately 800 ozs per vertical metre). This deposit sits in a steep east-west striking shear zone and plunges 45° easterly towards E45/2480 located 800m to the east.

Investigation of E45/2480 commenced at the Dorph-Peterson Copper prospect within the NE corner of the tenement. This steep, narrow vein protrudes from the hillside and is capped by late, barren cover. No modern exploration i.e. drilling has been attempted here and the area is readily accessible. Collected three representative samples of vein and sheared material.

To the south, partial outcrop (2,000m x 500m area) was noted in satellite photos and several quartz veins were discovered trending 125 and 165 degrees within a broad shear zone

trending 125 degrees (southeast). Some malachite was noted and sampled. Several quartz samples collected. Detailed mapping/sampling will be conducted in a later field trip with the area easily accessible from Corunna Downs Station Road.

Hickman, 1983 noted a distinctive SE-trending structural trend between the Warrawoona (22,000t for 30,000 ounces) and the Comet (150,000t for 120,000 ounces) gold camps. Exploration along the valley that prescribes this structural corridor but no Archaean outcrop was detected. The presence of a conglomerate sequence capping a hillside north of the structure is encouraging and suggests a north-side-down-fault in the overlying Proterozoic sequence that may translate to a reactivation of an older Archaean structure at depth.

Samples have been sent to the laboratory for assay.

## **International Acquisition Strategy**

Executives of Gondwana Resources Limited travelled to Hong Kong and met with senior representatives from several Chinese companies featuring mining and exploration projects in China, Zambia and Outer Mongolia. Gondwana conducted reviews of a number of projects based on information available and selected one prospective base metal prospect for follow-up field work in the current quarter. The company's due diligence will focus on verifying and improving technical information for a proposed farm-in on this project.

## **Corporate**

The Company's Annual General Meeting will be held at 3.30pm on Friday 30 May 2008 at The Celtic Club, Ord Street, West Perth.

### ***Consolidation of Capital***

As set out in detail in the Explanatory Memorandum accompanying the Notice of Annual General Meeting, the Directors are seeking shareholder approval to consolidate the number of Shares and Options on issue on a 1 for 10 basis to be effected immediately following the meeting. The consolidation of capital is being undertaken because the Directors believe the consolidated capital structure will be more appropriate and will facilitate the Company's growth strategies going forward.

### ***Bonus Issue of Shares and Options***

If the resolution to consolidate the capital is passed by shareholders at the Annual General Meeting, the Directors propose to immediately make -

- a *Bonus Issue of Shares* on the basis of 1 new Share for every 8 Shares held; and
- a *Bonus Issue of Options* on the basis of 3 new Options for every 5 Shares held; the Bonus Options to be exercisable on or before 30 June 2010 at 12 cents per share (on a post-consolidation basis).

The Directors' proposal to make the above Bonus Issues was announced on 20 November 2007. As all shareholders of the Company on a record date (which will be advised after the consolidation of capital has been approved) will be entitled to participate in the Bonus Issues of Shares and Options, shareholder approval is not required.

## Competent Person Statement

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

## Contact

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



Warren Beckwith  
Director

30 April 2008

# 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")

31 March 2008

### Consolidated statement of cash flows

Cash flows related to operating activities	Current Quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration and evaluation	(521)	(521)
(b) development	-	-
(c) production	-	-
(d) administration	(215)	(215)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	19	19
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other - Sundry income	4	4
<b>Net Operating Cash Flows</b>	<b>(712)</b>	<b>(712)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a)prospects	-	-
(b)equity investments	(25)	(25)
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	-	-
1.10 Loans to other entities	(32)	(32)
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>(57)</b>	<b>(57)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(769)</b>	<b>(769)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(769)	(769)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	1,677	1,677
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	74	74
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other :	-	-
<b>Net financing cash flows</b>		<b>1,751</b>	<b>1,751</b>
<b>Net increase (decrease) in cash held</b>		<b>982</b>	<b>982</b>
1.20	Cash at beginning of quarter/year to date	522	522
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>1,504</b>	<b>1,504</b>

**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	400
4.2	Development	-
<b>Total</b>		<b>400</b>

**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	1,504	522
5.2	Deposits at call		-
5.3	Bank overdraft		-
5.4	Other (provide details)		-
<b>Total: cash at end of quarter (item 1.22)</b>		<b>1,504</b>	<b>522</b>

**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	<b>Preference securities</b>				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	<b>*Ordinary securities</b>	578,880,002	578,880,002		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	203,510,273	203,510,273		Fully paid
7.5	<b>*Convertible debt securities</b>				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b>	23,993,000 22,431,984 116,865,913	23,993,000 22,431,984 116,865,913	Exercise price 5¢ Exercise price 1¢ Exercise price 1.2¢	Expiry 30/6/08 Expiry 30/6/09 Expiry 30/6/10
7.8	Issued during quarter	-	96,529,918	Exercise price 1.2¢	Expiry 30/6/10
7.9	Exercised during quarter	5,391,041 5,059,368	5,391,041 5,059,368	Exercise price 1.2¢ Exercise price 1.2¢	Expiry 30/6/09 Expiry 30/6/10
7.10	Expired during quarter				
7.11	<b>Debentures (totals only)</b>				
7.12	<b>Unsecured notes (totals only)</b>				

+ 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 30 April 2008

(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.

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