

Gondwana RESOURCES LIMITED

ABN 72 008 915 311

30 May 2008

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

Via Electronic Lodgement

Dear Sir/Madam

EXPIRY OF JUNE 2008 OPTIONS

The Company confirms that Notices have been dispatched to the holders of options expiring on 30 June 2008 advising the expiry of the options and the information required by Appendix 6A of the Listing Rules.

A copy of the Expiry Notice and accompanying Chairman's letter is attached.

Application for quotation of the securities to be issued on exercise of options (Appendix 3B) will be separately lodged.

For further information, please contact Warren Beckwith on phone (08) 9388 9697 or 0419 838 839 or by email to info@gondwanaresources.com

Yours faithfully



**WARREN BECKWITH
DIRECTOR**

Gondwana

RESOURCES LIMITED

ABN 72 008 915 311

26 May 2008

Dear Option Holder

NOTICE OF EXPIRY OF JUNE 2008 OPTIONS

I am writing to you in relation to your holding of 2008 options in Gondwana Resources Limited (**Company**) which expire on 30 June 2008. An Expiry Notice pursuant to the rules of the Australian Securities Exchange (**ASX**) is attached to this letter. The Expiry Notice contains an Application Form for the exercise of options.

The Expiry Notice sets out the number of 2008 options that you presently hold but you should take particular note of the effect that the proposed consolidation of capital will have on your option holding.

Effect of Proposed Consolidation of Capital

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 Company's Annual General Meeting on 30 May 2008.

If the Resolution to consolidate the issued capital is passed, the number of Shares and Options that you hold will be reduced by a factor of 10. The total number of 2008 Options on issue will be reduced from 23,993,000 to approximately 2,399,300 and the exercise price of each of the Options will be increased by a multiple of 10 - that is to 50 cents each.

As from the effective date of the Resolution (being the date of the Annual 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.

Action to be taken by option holders

Alternative 1: On receipt of this Notice, fill in the attached Application Form and send it to Computershare Investor Services Pty Limited or the Company before 30 May 2008 together with your cheque for the exercise price. Your new Shares will be issued to you immediately on a pre-consolidation basis.

Alternative 2: Wait until after the consolidation of capital. Your new holding statement will be issued on or about 16 June 2008 and you may fill in the Application Form on the back of the new holding statement and send it to Computershare Investor Services Pty Limited or the Company before 30 June 2008 together with your cheque for the exercise price. Your new Shares will be issued to you immediately on a post-consolidation basis.

Alternative 3: Do nothing. Your 2008 Options will expire at 5pm WST on 30 June 2008.

Bonus Issue of New Shares and Options

As set out in the Company's quarterly report on 30 April 2008, if the resolution to consolidate the capital is passed at the Annual General Meeting, the Directors propose to 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, exercisable on or before 30 June 2010 at 12 cents per share (on a post-consolidation basis).

All shareholders of the Company on the 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.

However, please note that in order to participate in the Bonus Issue in respect of your 2008 Options, you will need to exercise your 2008 Options prior to their expiry and prior to the record date referred to above.

Example

The following example illustrates the result of an option holder exercising 2008 Options (a) prior to the consolidation date (30 May 2008) and (b) after 30 May but prior to the expiry date (30 June 2008):

	(a) <i>If options exercised pre-consolidation (prior to 30 May)</i>	(b) <i>If options exercised post-consolidation (between 31 May and 30 June)</i>
Number of 2008 Options held	1,000	100
Exercise price	5 cents each	50 cents each
Amount payable on exercise	\$50.00	\$50.00
Number of new shares issued on exercise of Options	1,000 shares	100 shares
Number of Shares held post-consolidation	100 shares	100 shares
Entitlement to Bonus Shares	12 shares	12 shares
Number of 2010 Bonus Options exercisable @ 12 cents	30 options	30 options

Should you have any queries in relation to this matter, please refer to details in the attached form or telephone Debbie Pascoe at the Company's office on (08) 9388 9697 or send an email to info@gondwanaresources.com

Yours sincerely



Warren Beckwith
Chairman
Gondwana Resources Limited

How to complete this form

Exercise of your Options in full or part

A Registration Name(s)

Your name and address as it appears on the Register of Gondwana Resources Limited.

B Options Exercised

Enter the number of Options you wish to exercise.

C Exercise Monies

Enter the amount of exercise monies. To calculate the amount payable, multiply the number of Options exercised by the exercise price.

D Payment

Make your cheque or bank draft payable to Gondwana Resources Limited in Australian currency and cross it Not Negotiable. Your cheque or bank draft must be drawn on an Australian Bank.

Complete the cheque details in the boxes provided. The total amount must agree with the amount shown in box C.

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Expiry Notice being rejected. Paperclip (do not staple) your cheque(s) to the Options Expiry Notice where indicated. Cash will not be accepted. Receipt for payment will not be forwarded.

E Signature(s)

You must sign the form as follows in the space provided:

Joint holding: where the holding is in more than one name all of the securityholders must sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. Alternatively, attach a certified copy of the Power of Attorney to this form when you return it.

Deceased Estate: all executors must sign and, if not already noted by the registry, a certified copy of Probate or Letters of Administration must accompany this form.

Companies: this form must be signed by either 2 Directors or a Director and a Company Secretary. Alternatively, where the company has a Sole Director and, pursuant to the Corporations Act, there is no Company Secretary, or where the Sole Director is also the Sole Company Secretary, that Director may sign alone. Delete titles as applicable.

This is an important document and requires your immediate attention. If you are in any doubt as to how to deal with it, please consult your Financial or other Professional Advisor.

Lodgement of Notice

Option Expiry Notices must be received by Computershare Investor Services Pty Limited Perth by no later than 5.00pm WST on 30 June 2008. You should allow sufficient time for this to occur. Return the Option Expiry Notice with cheque(s) attached to:

Computershare Investor Services Pty Limited
GPO Box D182 Perth
Western Australia 6480 Australia

Neither Computershare Investor Services Pty Limited nor the Company accepts any responsibility if you lodge the Option Expiry Notice at any other address or by any other means.

Privacy Statement

Personal information is collected on this form by Computershare Investor Services Pty Limited ("CIS"), as registrar for securities issuers ("the issuer"), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or e-mail privacy@computershare.com.au

Recent Share Prices on Australian Stock Exchange

Latest available market sale price of the Shares was A\$0.03 on 23 May 2008.
Highest sale price during the 3 months proceeding 23 May 2008 was A\$0.033 on 5 March 2008.
Lowest sale price during the 3 months proceeding 23 May 2008 was A\$0.019 on 3 March 2008.

Recent Option Prices on Australian Stock Exchange

Latest available market sale price of the Options (expiry 30 June 2008 @ 5 cents) was A\$0.006 on 23 May 2008.
Highest sale price during the 3 months proceeding 23 May 2008 was A\$0.015 on 05 March 2008.
Lowest sale price during the 3 months proceeding 23 May 2008 was A\$0.002 on 03 March 2008.

Last trading day of Options on the Australian Stock Exchange will be on 17 June 2008.

If you have any enquiries concerning your Option holding, please contact Computershare Investor Services Pty Limited on 1300 557 010.

Please return the completed form in the envelope provided or to the address opposite:

Computershare Investor Services Pty Limited
GPO Box D182 Perth
Western Australia 6480
Australia

