

Uranium Exploration Update

HIGHLIGHTS

- **Gondwana's exploration licence applications contain high historic samples:**
 - rock chip samples up to 2% U₃O₈, and
 - drill intersects including 2m @ 0.14% U₃O₈ and 7m @ 700ppm eU₃O₈
- **Mr Syd Morete, a highly respected uranium-specialist geologist, is preparing for a field reconnaissance trip in July 2009 to collect further rock chip samples to confirm grade using modern assay samples, and to map the radiometric outcrops**

URANIUM PROSPECTS

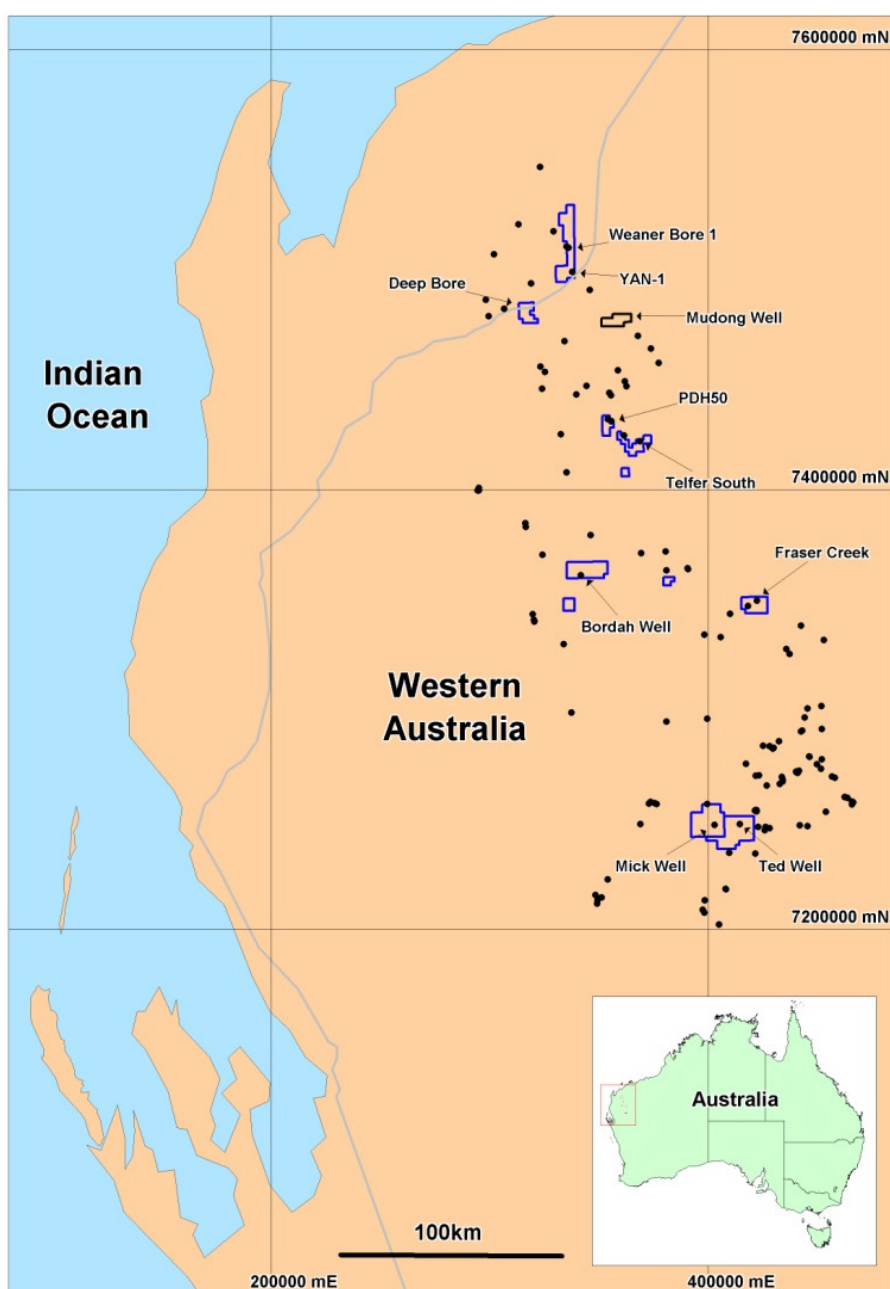


Figure 1: Tenement applications showing uranium occurrences from the Mindex database

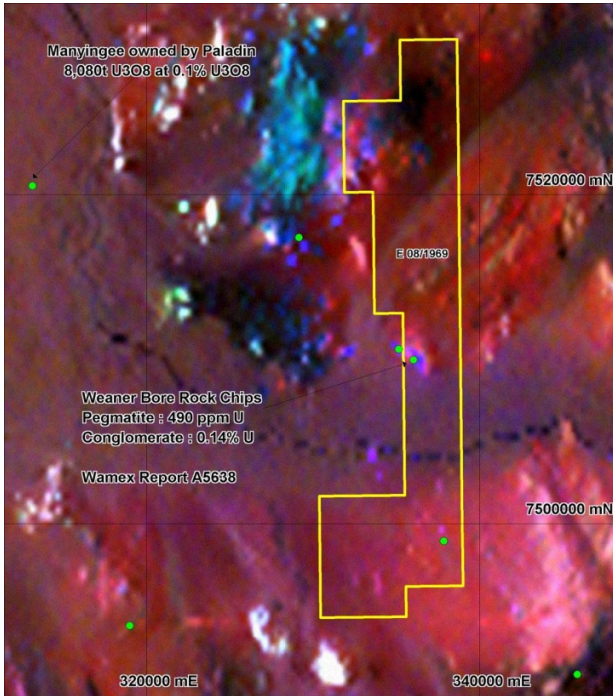
Gondwana has applied for 985 km² of tenure across 11 exploration licences in the Gascoyne region of WA. The tenements have been selected for uranium exploration using regional airborne radiometric surveys and the Mindex database of uranium occurrences.

In 2008, the Western Australian government announced its policy permitting uranium mining in WA. This change in policy, in line with South Australia and the Northern Territory, has provided a positive outlook on uranium exploration in times of uncertainty with other metal markets.

Target generation has isolated peak uranium anomalies in all tenements.

The Company's consulting geologist, Mr Syd Morete, is preparing for a field reconnaissance trip in July 2009 to collect rock chip samples and to map the radiometric outcrops. Based on this survey's results, the tenements will be reassessed and ranked according to prospectivity prior to drill testing.

Weaner Bore – E08/1969



This tenement is located 25km to the south east of Paladin's *Manyingee* uranium deposit, which contains 8,080t of U₃O₈ at 0.1% U₃O₈.

Report number A5638 (Agip Nucleare 1975) highlights the main target as the Nanutarra Formation, which overlies a Proterozoic granite basement.

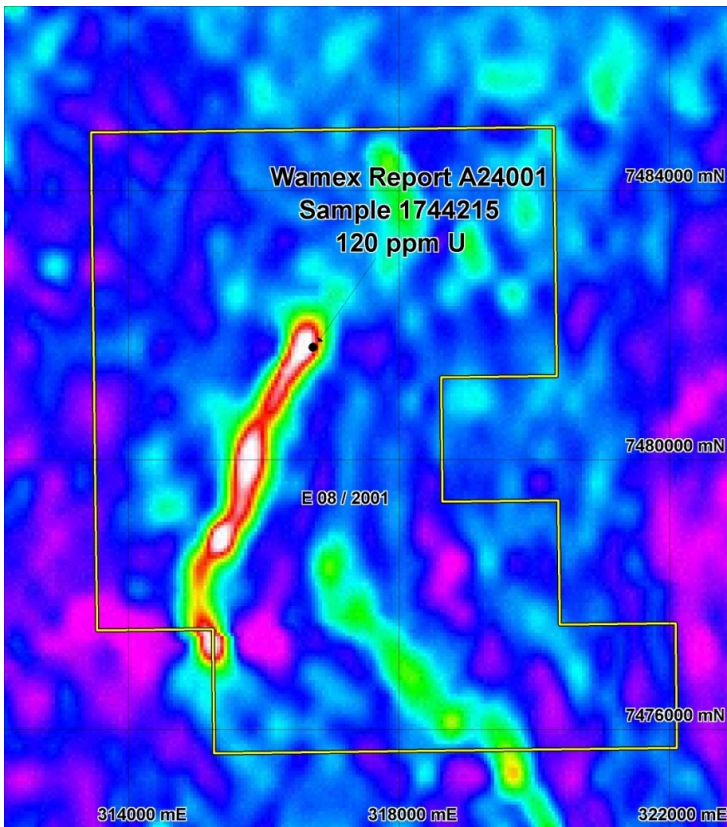
Identified in report A5638 are two targets of interest within Gondwana's application area:

- Pegmatites in the basement containing up to 490 ppm U metal.
- Basal conglomerate containing up to 0.14% U metal.

Figure 2:
Weaner Bore RGB Radiometric image showing historic assay results of significance.

Deep Bore – E08/2001

This uranium-copper prospect was identified by CRA Exploration in 1988. The prospect was inspected on the ground and was found to contain graphitic, cherty and dolomitic shales of the Mandorah Shale. Many of the non-indurated shale units exhibit iron-rich laminations, possibly after sulphide.



This uranium anomaly is approximately 5km long and 200m wide and has not been drilled tested based on historic research. The contact between the graphitic shale and the cherty black shale is often represented by a 1-2m shear zone which is providing the radiometric response. CRA performed sparse geochemical traverses with maximum results of U (120ppm), Cu (0.32%) and Zn (0.42%).

The rock chip sample with 120ppm uranium is sample 1744215, taken from a vuggy quartz vein with iron enriched cherty shales. The rest of the 5km anomaly requires a detailed geochemical survey prior to drill testing for uranium and base metals mineralisation under a potential near-surface depleted zone.

Figure 3
Deep Bore uranium radiometric image showing historic rock chips of significance

Horse Well – E09/1615

This tenement has been drilled and historically reported significant assays from a syncline containing Bangemall group sediments. Report number A6344 (Uranerz 1975) reported uranium discovered in both near surface calcareous sediments and at depth in carbonaceous sediments.

- Hole PDH50 intersected carbonaceous sediments - **2m @ 1485ppm U3O8** from 16.5m
- Hole PDH106 intersected carbonaceous sediments - **7m @ 700ppm eU3O8** from 18.5m

Follow-up diamond drilling in 1981 by Nord (A9461, A10556) did not reach the target depth due to hole collapse. They have identified the Uranerz mineralisation as an unusual structure containing carbonaceous and pyritic colluvium with the uranium associated with the reducing beds. Nord recommended detailed RC drilling in 1982 which never occurred.

The radiometrics imagery shows a continuous uranium anomaly around the syncline margin which continues to the south east into tenement E08/1967. This tenement has trench samples up to 530ppm uranium metal (trench 394) from report number A8091.

Ted Well – E09/1615

Gondwana's tenement application area adjoins U3O8's *Minindi* uranium deposit.

Report number A6830 (Uranerz 1977) assesses the region's identified uranium occurrences. Two Proterozoic unconformities exist in the area with the Bangemall Group and Wyloo Group being the target stratigraphy. Results reported in A6830 from rock chip sampling include:

- Sample C2630 reported **2.05% U3O8** from a quartzite lens with copper staining.
- Sample C2626 reported **880ppm U3O8** from a quartzite lens with copper staining.
- Sample C2628 reported **590ppm U3O8** from a chlorite schist.

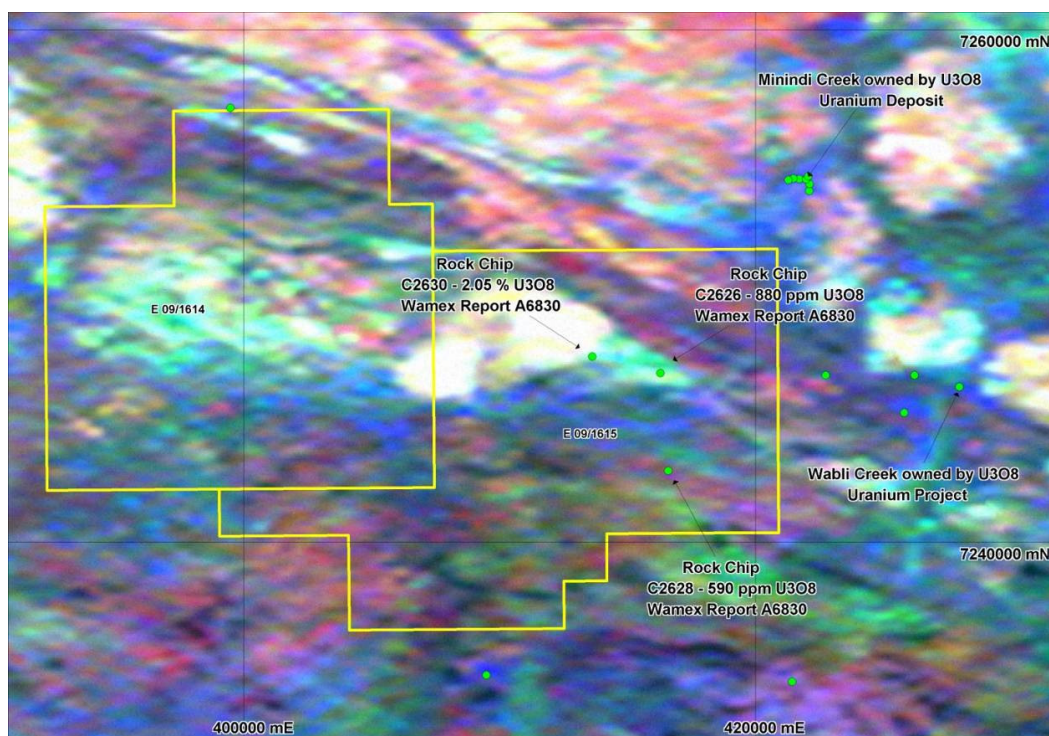


Figure 4: Ted Well RGB Radiometric image showing historic assay results of significance.

Moodong Well – E08 / 1577

Acquired by the Company and granted in 2007, the Moodong Well prospect is located within the Ashburton Mineral Field near Nanutarra and is about 1,250 kilometres north of Perth. The tenement covers an area of mineral claims once held by Afmeco Pty Ltd, who carried out a uranium exploration program in 1974-75.

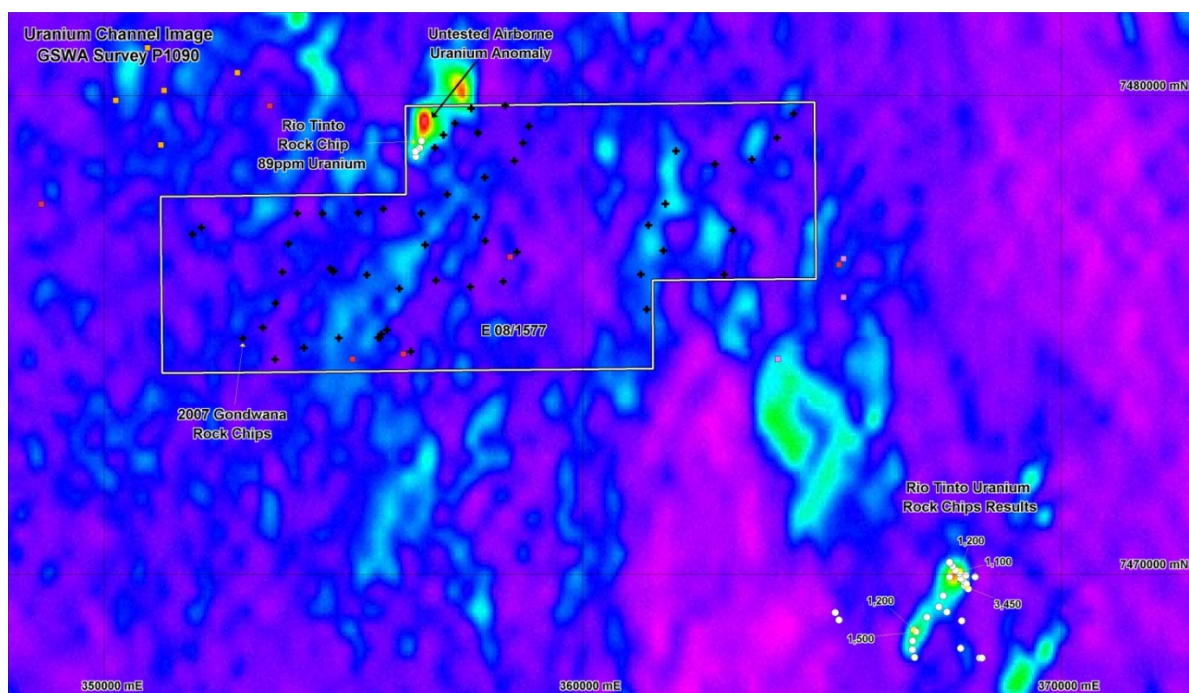


Figure 5: Moodong Well uranium radiometric image

Several anomalous environments to the south of the Moodong Well tenement were identified by Rio Tinto in 2001, including hematite, magnetite and gossanous veins containing minor barite and malachite. A significant airborne uranium anomaly (*Figure 5*) will be assessed in detail on the ground in the next quarter.

Competent Person Statement

The technical information in this report relates to Exploration Results, based on information compiled by Mr. Grant Donnes who is a Member of the Australian Institute of Geoscientists. Mr. Donnes 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. Donnes consents to the inclusion in this Report of the matters based on his information in the form and context in which it appears. Mr Donnes is a self-employed consultant to the Company.

CONTACT

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