

Gondwana

RESOURCES LIMITED

ABN 72 008 915 311

28 July 2009

The Company Announcements Office
Australian Stock Exchange Limited
www.asxonline.com

Dear Sirs

Prospectus for June 2011 Options (“Piggy Back Options”)

Pursuant to the terms of issue of the Company’s May 2009 options (GDAOE), holders who exercised their May 2009 options prior to their expiry became entitled, on a one-for-one basis, to new Options exercisable at 1 cent each on or before 30 June 2011 (**June 2011 Options**).

The Company has been obliged under the provisions of the Corporations Act 2001 to issue a Prospectus in respect of the June 2011 Options following their issue.

The June 2011 Options have now been issued and, accordingly, the attached Prospectus has been lodged with the Australian Securities and Investment Commission today.

Please contact Warren Beckwith on telephone (08) 9388 9961 or 0419 838 839 in the event of any queries.

Yours faithfully



Warren Beckwith
Director
for Gondwana Resources Limited

GDA/ASX09-33

GONDWANA RESOURCES LIMITED

ACN 008 915 311

PROSPECTUS

For the issue of up to 1,000 Options at an issue price of \$0.10 per Option to raise \$100.

This Prospectus has been prepared for the purpose of Section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Options recently issued by the Company.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Options offered by this Prospectus should be considered as speculative.

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1. SUMMARY OF IMPORTANT DATES AND IMPORTANT NOTES

TIMETABLE AND IMPORTANT DATES*

Lodgement of Prospectus with ASIC and ASX	28 July 2009
Opening Date	28 July 2009
Closing Date	5.00 pm (WST) on 29 July 2009
Despatch of Holding Statements	3 August 2009

*The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date or close the Offer early without notice.

IMPORTANT NOTES

Shareholders should read this document in its entirety and, if in doubt, should consult their professional advisors.

This Prospectus is dated 28 July 2009 and a copy of this Prospectus was lodged with the ASIC on that date. The ASIC and ASX take no responsibility for the content of this Prospectus.

The Expiry Date of the Prospectus is 13 months after the date the Prospectus was lodged with ASIC. No Options will be allotted or issued on the basis of this Prospectus after the Expiry Date.

No person is authorised to give information or to make any representation in connection with this Prospectus which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

Applications for Options offered pursuant to this Prospectus can only be submitted on an original Application Form which accompanies this Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions constitutes a violation of those laws. This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

This Prospectus is a transaction specific prospectus for an offer of options to acquire continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with Section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

RISK FACTORS

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Options pursuant to this Prospectus. For further information in relation to the risk factors of the Company please refer to Section 6 of this Prospectus.

2. CORPORATE DIRECTORY

Directors

Warren Beckwith (Chairman)
Paul Goodsall
Steven Pynt

Company Secretary

Paul Goodsall

Exploration Manager

Grant Donnes, BSc (Hons – Geophysics)

Consultant Geologists

David Hollingsworth, BSc (Hons)
Malcolm Castle, BSc (Hons), MAusIMM,
GCertAppFin (Sec Inst)

Registered Office

230 Rokeby Road,
SUBIACO WA 6008

Principal Office

Suite 4, 16 Nicholson Road
SUBIACO WA 6008

Postal Address

PO Box 2000
SUBIACO WA 6904

Contact Details

Telephone: +61 8 9388 9697 / 9961
Fax: +61 8 9381 1705
Email: info@gondwanaresources.com.au
Website: www.gondwanaresources.com.au

Share Registry*

Computershare Investor Services Pty Ltd
Level 2, 45 St George's Terrace
PERTH WA 6000

Telephone: +61 8 9323 2000
Fax: +61 8 9323 2033

Solicitors to the Company

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

ASX Code

GDA

* This entity has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus. Its name is included for information purposes only.

3. DETAILS OF THE OFFER

3.1 Offer

This Prospectus invites investors to apply for a total of up to 1,000 Options at an issue price of \$0.10 per Option to raise up to \$100.

All of the Options to be issued pursuant to this Prospectus will be on the terms set out in Section 5.2 of this Prospectus. Section 5.1 contains further information regarding the rights and liabilities attaching to Shares to be issued upon the valid exercise of the Options.

The primary purpose of the Offer is to remove any trading restrictions that may have attached to Options with ASX Code GDAO (refer to Section 4.3 for further details) that have recently been issued by the Company. Further details of the purpose and effect of the Offer are set out in Section 4 of this Prospectus.

3.2 Application for Options

Applications for Options must be made on an Application Form attached to or accompanying this Prospectus.

Payment for the Options must be made in full at the issue price of \$0.10 per Option. Applications must be for a minimum of 1,000 Options.

Completed Application Forms and accompanying cheques, made payable to "**Gondwana Resources Limited – Application Account**" and crossed "Not Negotiable", must be mailed or delivered to:

Gondwana Resources Limited Suite 4, 16 Nicholson Road SUBIACO WA 6008

Completed Application Forms must reach the address set out above by no later than the Closing Date. However, the Directors may close the Offer early if applications are received for the minimum subscription of \$100 prior to the Closing Date. The Directors may also extend the Closing Date in their sole discretion.

3.3 Minimum Subscription

The minimum subscription for the Offer is \$100. The Company will not deal with any application monies received under this Prospectus until the minimum subscription has been met.

In the event the minimum subscription is not achieved within four (4) months of the date of lodgement of the Prospectus with the ASIC, no Options will be issued to any of the Applicants, all application monies will be returned to Applicants in accordance with the Corporations Act.

3.4 Allotment of Options

The Directors will determine the allottees of all the Options in their sole discretion. The Directors reserve the right to reject any application or to allocate any applicant fewer Options than the number applied for.

Options issued pursuant to the Offer will be allotted as soon as practicable after the Closing Date. Where the number of Options issued is less than the number applied for, or where no allotment is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the Closing Date.

Pending the allotment and issue of the Options or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

3.5 Australian Securities Exchange Listing

Application for Official Quotation by ASX of the Options offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If approval is not obtained from ASX before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Options and will repay all application monies for the Options within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Options is not to be taken in any way as an indication of the merits of the Company or the Options now offered for subscription.

3.6 Restrictions on the Distribution of the Prospectus

The distribution of this Prospectus outside the Commonwealth of Australia may be restricted by law.

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

Residents of countries outside Australia should consult their professional advisers as to whether any government or other consents are required, or whether any formalities need to be observed should they wish to make an application to take up Options on the basis of this Prospectus. The return of a duly completed Application Form will be taken to constitute a representation and warranty that there has been no breach of such laws and that all approvals and consents have been obtained.

3.7 Dividends

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

3.8 Taxation

The acquisition and disposal of Options will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice

about the consequences of acquiring Options from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Options under this Prospectus.

3.9 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing certificates. The Company will apply to ASX to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Options allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

3.10 Privacy Act

If you complete an application for Options, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as an Optionholder, facilitate distribution payments and corporate communications to you as an Optionholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASTC Settlement Rules. You should note that if you do not provide the information required on the application for Options, the Company may not be able to accept or process your application.

3.11 Enquiries

Any questions concerning the Offer should be directed to Debbie Pascoe at the Company's office on +61 8 9388 9961 or email info@gondwanaresources.com.

4. PURPOSE AND EFFECT OF THE OFFER

4.1 Purpose of the Offer

The primary purpose of the Offer is to remove any trading restrictions that may have attached to Options with ASX Code GDAO (refer to Section 4.3 for further details) that have recently been issued by the Company prior to the date of this Prospectus.

Assuming the minimum subscription is obtained under this Prospectus, the Company will raise \$100. All of these funds will be applied towards the expenses of the Offer. Refer to Section 7.6 of this Prospectus for further details relating to the estimated expenses of the Offer.

4.2 Effect of the Offer

The principal effect of the Offer, assuming the minimum subscription is obtained, will be to increase the number of Options on issue from 146,498,527 as at the date of this Prospectus to 146,499,527.

4.3 Effect on Capital Structure

The effect of the Offer on the capital structure of the Company, assuming the minimum subscription is obtained, is set out below.

Shares

	Number
Shares currently on issue	298,236,072
Shares offered pursuant to the Offer	Nil
Total Shares on issue after completion of the Offer	298,236,072

Options

	Number
Options (listed) (ASX Code: GDAOC) (exercise price 12 cents / expiry date 30 June 2010)	46,403,829
Options (listed) (ASX Code: GDAO) (exercise price 1 cent / expiry date 30 June 2011)	98,894,698
Options (unlisted) (exercise price 20 cents / expiry date 30 June 2010)	600,000
Options (unlisted) (exercise price 30 cents / expiry date 31 December 2011)	600,000
Options offered pursuant to the Offer (as per ASX Code: GDAO) (exercise price 1 cent / expiry date 30 June 2011)	1,000
Total Options on issue after completion of the Offer	146,499,527

5. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

The following is a summary of the more significant rights and liabilities attaching to the Securities. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

5.1 Rights Attaching to Shares

(a) General Meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the share.

(c) Dividend Rights

The Directors may from time to time declare and pay or credit a dividend in accordance with the Corporations Act. Subject to any special right as to dividends attaching to a share, all dividends will be declared and paid according to the proportion of the dividend paid to the holder of a fully paid Share that the amount paid up on the Share bears to the total issue price of the Share (but any amount paid during the period in respect of which a dividend is declared only entitles the Shareholder to an apportioned amount of that dividend as from the date of payment). The Directors may from time to time pay or credit to the Shareholders such interim dividends as they may determine. No dividends shall be payable except out of profits. A determination by the Directors as to the profits of the Company shall be conclusive. No dividend shall carry interest as against the Company.

The Directors may from time to time grant to Shareholders or any class of shareholders the right to elect to reinvest cash dividends paid by the Company by subscribing for Shares in the Company on such terms and conditions as the Directors think fit. The Directors may, at their discretion, resolve in respect of any dividend which it is proposed to pay or to declare on any Shares of the Company, that holders of such Shares may elect to forgo their right to the whole or part of the proposed dividend and to receive instead an issue of Shares credited as fully paid to the extent and on the terms and conditions of the Constitution. The Directors may set aside out of the profits of the Company such amounts as they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

(d) Winding-Up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

(e) Transfer of Shares

Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(f) Future Increase in Capital

The allotment and issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(g) Variation of Rights

Under Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

5.2 Terms of Options

The material terms and conditions of the Options to be issued pursuant to this Prospectus will be as follows:

- (a) The Options shall expire on 30 June 2011 (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse;
- (b) The Options may be exercised by notice in writing to the Company received at any time on or before the Expiry Date together with a cheque or electronic funds transfer for the exercise price for the number of Options being exercised. An exercise is only effective when the Company has received the full amount of the exercise price in cleared funds;
- (c) The Options may be exercised in whole or in part;
- (d) The exercise price for each Option shall be 1 cent;
- (e) The Options may be transferred at any time in whole or part;
- (f) A holding statement will be issued for the Options. On the reverse side of the holding statement there will be endorsed a statement of rights of the Option holder and a notice of exercise of an Option that is to be completed when exercising the Options. If prior to the Expiry Date those Options are exercised in part the Company will issue another holding statement for the balance of the Options held and not yet exercised;
- (g) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, the rights of the Option holder will be treated in the manner prescribed by the Corporations Act and ASX Listing Rules applying to reconstructions at that time;
- (h) The Options will not give any right to participate in dividends until Shares are issued pursuant to the exercise of the relevant Options;
- (i) The Options will not give the Option holder the right to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure for the purpose of determining entitlements to any such issue, the record date (as that term is defined in the ASX Listing Rules) will be at least 6 Business Days after the issue is announced. This will give the Option holder the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue;
- (j) An Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised;
- (k) Subject to the requirements of the ASX Listing Rules, application will be made to ASX for Official Quotation of the Options. In addition, application will be made to ASX for Official Quotation of all Shares issued upon the exercise of any Options;
- (l) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.

6. RISK FACTORS

6.1 Introduction

The Options offered under this Prospectus are considered speculative, and involve investors being exposed to risk. The Directors strongly recommend potential applicants examine the contents of this Prospectus and consult their professional advisers before deciding whether to apply for Options pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors.

The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

Risks Specific to the Company

6.2 Exploration Success

The mineral tenements of the Company are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of these tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that these cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

6.3 Operating Risks

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

6.4 Resource Estimates

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

6.5 Commodity Price Volatility and Exchange Rate Risks

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

6.6 Environmental Risks

The operations and proposed activities of the Company are subject to State and Federal laws and regulation concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

6.7 Title Risks and Native Title

Interests in tenements in Australia are governed by the respective State legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

It is also possible that, in relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

Further to this, it is possible that an Indigenous Land Use Agreement (**ILUA**) may be registered against one or more of the tenements in which the Company has

an interest. The terms and conditions of any such ILUA may be unfavourable for, or restrictive against, the Company.

The Directors will closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

General Risks

6.8 Economic Risks

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

6.9 Market Conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (a) general economic outlook;
- (b) interest rates and inflation rates;
- (c) currency fluctuations;
- (d) changes in investor sentiment toward particular market sectors;
- (e) the demand for, and supply of, capital; and
- (f) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

6.10 Additional Requirements for Capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the capital raising. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be.

6.11 Reliance on Key Personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

6.12 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Options offered under this Prospectus. Therefore, the Options to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Options.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Options pursuant to this Prospectus.

7. ADDITIONAL INFORMATION

7.1 Continuous Disclosure Obligations

The Company is a “disclosing entity” (as defined in Section 111AC of the Corporations Act) for the purposes of Section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the securities in the Company.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in Section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with ASIC; and

- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in Section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with ASIC are set out in the table below.

Date	Description of Announcement
28/07/2009	Cancellation of Employee Scheme Shares
22/07/2009	Appendix 3B
17/07/2009	Change of Director's Interest Notice – WT Beckwith
17/07/2009	Change of Director's Interest Notice – SL Pynt
17/07/2009	Change of Director's Interest Notice – PM Goodsall
13/07/2009	Appendix 3B
06/07/2009	Uranium Exploration Progress Report 6 July 2009
02/07/2009	Progress Report – Iron Ore Exploration – 2 July 2009
29/06/2009	Gold Exploration Progress Report – 29 June 2009
29/06/2009	Response to ASX query – Change in Director's Interest Notice
24/06/2009	Change of Director's Interest Notice
24/06/2009	Change of Director's Interest Notice
18/06/2009	Expiry of June 2009 Options - Amended Notice
16/06/2009	Appendix 3B
16/06/2009	Expiry of June 2009 Options
11/06/2009	Appendix 3B
27/05/2009	Results of Meeting
25/05/2009	Appendix 3B
07/05/2009	Appendix 3B
06/05/2009	Expiry of May 2009 Options
30/04/2009	Quarterly Activities Report
24/04/2009	Notice of Annual General Meeting/Proxy Form
23/04/2009	Share Sale Facility

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

7.2 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or to any firm in which any such Director is a partner or director, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or by the firm in connection with the formation or promotion of the Company or the Offer.

Directors' relevant interests in the Company's Securities at the date of this Prospectus are:

Name of Director	Shares	Options ¹
Warren Beckwith	14,689,713	4,406,582 ¹
Steven Pynt	12,978,899	5,831,437 ²
Paul Goodsall	7,581,750	1,749,600 ³

Notes:

¹ 3,806,582 Options are exercisable at 12 cents each on or before 30 June 2010, 300,000 Options are exercisable at 20 cents each on or before 30 June 2010 and 300,000 Options are exercisable at 30 cents each on or before 31 December 2011.

² 471,804 Options are exercisable at 12 cents each on or before 30 June 2010, 5,059,633 Options are exercisable at 1 cent each on or before 30 June 2011, 150,000 Options are exercisable at 20 cents each on or before 30 June 2010 and 150,000 Options are exercisable at 30 cents each on or before 31 December 2011.

³ 124,600 Options are exercisable at 12 cents each on or before 30 June 2010, 1,325,000 Options are exercisable at 1 cent each on or before 30 June 2011, 150,000 Options are exercisable at 20 cents each on or before 30 June 2010 and 150,000 Options are exercisable at 30 cents each on or before 31 December 2011.

The Constitution of the Company provides that the non-executive Directors may be paid for their services as Directors, a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, to be divided among the Directors and in default of agreement then in equal shares.

The Company paid to the Directors a total of \$415,844 for the year ended 31 December 2008. For the period from 1 January 2009 to the date of this Prospectus \$177,200 has been paid or is payable by the Company by way of approved remuneration for services provided by all Directors or former Directors (executive, non-executive and alternate), companies associated with those Directors or their associates in their capacity as Directors, employees, consultants or advisers (and including superannuation payments).

Directors, companies associated with the directors or their associates are also reimbursed for all reasonable expenses properly incurred in the course of conducting their duties which include, but are not in any way limited to, out of pocket expenses, travelling expenses, disbursements made on behalf of the Company and other miscellaneous expenses.

7.3 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no expert, underwriter, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner, nor any company with which any of those persons is or was associated, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any expert, underwriter, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus, or to any firm in which any of those persons is or was a partner, or to any company with which any of those persons is or was associated, for services rendered by that person, or by the firm or the company, in connection with the formation or promotion of the Company or the Offer.

Steinepreis Paganin acts as solicitors to the Company. Steinepreis Paganin will be paid approximately \$5,000 (excluding GST) for services in relation to this Prospectus. In the past two years, Steinepreis Paganin has been paid fees totalling \$158,780.50 (excluding GST) for legal services provided to the Company.

7.4 Consents

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

7.5 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

7.6 Expenses of Offer

In the event that the Offer is fully subscribed, the total expenses of the Offer are estimated to be approximately \$9,000 (excluding GST) and are expected to be applied towards the items set out in the table below:

		\$
ASIC fees		2,010
ASX fees		1,200
Legal Fees		5,000
Other expenses		790
Total		9,000

7.7 Market Price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Company's Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest	1.6 cents	11 May 2009
Lowest	0.9 cents	27-28 April & 23-29 June 2009
Last	1.2 cents	27 July 2009

8. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

A handwritten signature in black ink, appearing to read 'Warren Beckwith', written in a cursive style.

Warren Beckwith
For and on behalf of
GONDWANA RESOURCES LIMITED

9. DEFINITIONS

\$ means Australian dollars.

Application Form means an application form either attached to or accompanying this Prospectus.

ASIC means the Australian Securities and Investments Commission.

ASTC Settlement Rules means the settlement rules of the securities clearing house which operates CHESS.

ASX means ASX Limited (ABN 98 008 624 691).

ASX Listing Rules means the Listing Rules of the ASX.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Closing Date means the date set out in Section 1 of this Prospectus (unless extended or closed earlier).

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

Constitution means the Company's constitution as at the date of this Prospectus.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the directors of the Company at the date of this Prospectus.

Offer means the offer pursuant to the Prospectus of 1,000 Options at an issue price of \$0.10 each to raise \$100.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Prospectus means this prospectus.

Official Quotation means official quotation on ASX.

Securities means Shares and Options.

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

Shareholder means a shareholder of the Company.

WST means Western Standard Time as observed in Perth, Western Australia.

INSTRUCTIONS TO APPLICANTS

Please post or deliver the completed Application Form together with a cheque to the Company. If an Applicant has any questions on how to complete this Application Form, please telephone the Company on **+61 8 9388 9961**. The Form must be received by the Company no later than **5.00 pm WST on the Closing Date (or such earlier date as directed by the Company)**.

A. Application for Options

The Application Form must only be completed in accordance with instructions included in Prospectus.

B. Name of Applicant

Write the Applicant's FULL NAME. This must be either an individual's name or the name of a company. Please refer to the bottom of this page for the correct form of registrable title. Applications using the incorrect form of registrable title may be rejected.

C. Name of Joint Applicants or Account Designation

If JOINT APPLICANTS are applying, up to three joint Applicants may register. If applicable, please provide details of the Account Designation in brackets. Please refer to the bottom of this page for instructions on the correct form of registrable title.

D. Address

Enter the Applicant's postal address for all correspondence. If the postal address is not within Australia, please specify Country after City/Town.

E. Contact Details

Please provide a contact name and daytime telephone number so that the Company can contact the Applicant if there is an irregularity regarding the Application Form.

F. CHESS HIN or existing SRN Details

The Company participates in CHESS. If the Applicant is already a participant in this system, the Applicant may complete this section with their existing CHESS HIN. If the applicant is an existing shareholder with an Issuer Sponsored account, the SRN for this existing account may be used. Otherwise leave the section blank and the Applicant will receive a new Issuer Sponsored account and statement.

G. Cheque Details

Make cheques payable to "**Gondwana Resources Limited – Offer Account**" in Australian currency and cross them "Not Negotiable". Cheques must be drawn on an Australian Bank. The amount of the cheque should agree with the amount shown on the Application Form.

H. Declaration

By completing the Application Form, the Applicant will be taken to have made to the Company the declarations and statements therein. The Application Form does not need to be signed.

If an Application Form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be accepted. Any decision of the Directors as to whether to accept an Application Form, and how to construe, amend or complete it, shall be final. An Application Form will not however, be treated as having offered to subscribe for more Options than is indicated by the amount of the accompanying cheque.

Forward your completed application together with the application money to:

Gondwana Resources Limited – Application Account
Suite 4, 16 Nicholson Road
SUBIACO WA 6008

CORRECT FORMS OF REGISTRABLE TITLE

Note that ONLY legal entities are allowed to hold securities. Application Forms must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and the surname is required for each natural person. Application Forms cannot be completed by persons under 18 years of age. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mr John Alfred Smith	J A Smith
Company Use the company's full title, not abbreviations	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings Use full and complete names	Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S Williams
Trusts Use the trustee(s) personal name(s).	Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates Use the executor(s) personal name(s).	Ms Jane Mary Smith & Mr Frank William Smith <Est John Smith A/C>	Estate of late John Smith or John Smith Deceased
Minor (a person under the age of 18) Use the name of a responsible adult with an appropriate designation.	Mr John Alfred Smith <Peter Smith A/C>	Master Peter Smith
Partnerships Use the partners personal names.	Mr John Robert Smith & Mr Michael John Smith <John Smith and Son A/C>	John Smith and Son
Long Names.	Mr John William Alexander Robertson-Smith	Mr John W A Robertson-Smith
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s).	Mr Michael Peter Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds Use the name of the trustee of the fund.	Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund