

## MEDIA RELEASE

26 May 2010



### Termination of Underwriting

On 19 April 2010, the Company issued a Prospectus for an for a pro rata non-renounceable offer (*Entitlement Offer*) of approximately 140,149,447 Shares on the basis of two (2) Shares for every five (5) Shares held by Shareholders at an issue price of 1.5 cents per Share (with one (1) free attaching New Option for every two (2) Shares subscribed for and issued) to raise up to approximately \$2,102,242.

The Offer was partially underwritten to an aggregate amount of \$433,988.32 in accordance with the terms and conditions of the Underwriting Agreements set out in the Prospectus. In addition each of the Underwriters has agreed to accept their Entitlement in full representing an additional aggregate amount of \$166,011.68. Combined this represents a commitment of \$600,000.

Bellatrix Pty Ltd (ACN 008 934 076), an entity controlled by Warren Beckwith, a Director, made a combined commitment and underwriting representing 28,000,000 Shares, 14,000,000 New Options and \$420,000. Beachtown Holdings Pty Ltd (ACN 073 834 983) ATF The SL Pynt Family Trust, an entity controlled by Steven Pynt, a Director, made a combined commitment and underwriting representing 12,000,000 Shares, 6,000,000 New Options and \$180,000.

The Underwriting Agreements were subject to standard terms and conditions and Termination Events set out in the Schedule to the Underwriting Agreements.

Prior to the closure of the Entitlement Offer, both Underwriters have advised that the Underwriting Agreements are at an end due to an event or events set out in the Schedule occurring.

### Closure of Offer and Return of Subscription Monies

The Entitlement Offer closed at 5pm WST on 25 May 2010 and total subscriptions prior to closure have fallen short of the Minimum Subscription of \$600,000. In the above circumstances, the Directors have resolved to close the Shortfall Offer at the same time as the Entitlement Offer and, as the minimum subscription has not been reached, no Securities will be issued and all subscription monies will be returned within the time period prescribed under the Corporations Act.

The Company intends to immediately issue a new Prospectus on revised terms that reflect the prevailing deteriorated market conditions. Details will be announced as soon as possible.

### Contact

For further information, please contact Warren Beckwith or Stella Familton on phone (08) 9388 9961 or send an email to [info@gondwanaresources.com](mailto:info@gondwanaresources.com).

A handwritten signature in black ink, appearing to be "Warren Beckwith", written over a horizontal line.

**Warren Beckwith**  
**Director**  
**Gondwana Resources Limited**