

MEDIA RELEASE

14 August 2008

EXPLORATION UPDATE

Parker Range Gold Project

Drilling at Zeus

Gondwana Resources Limited is pleased to announce that reverse circulation ("RC") drilling at Parker Range will commence on 15 August 2008 at the Zeus prospect, Parker Range Gold Project, WA.

A total of 24 holes for 1,200m drilling are planned to explore a gold-in-soil anomaly measuring 800m x 200m situated 2km south of the Bronco open pit.

Drilling at other prospects

A second stage of RC drilling will commence mid-September as soon as the Company receives DoIR permits for a further 3,500m of RC drilling.

This stage will cover prospects at Centenary, Buffalo, Cheriton's and Olga Rocks (*refer Figure 1*). The target of drilling at each of these locations has been outlined in the Company's last quarterly report.

During the second stage of drilling, Gondwana will complete field mapping along the McIntosh line of workings immediately west of the Parker Range BIF sequence.

Mt Caudan Prospect

This week, the Company has submitted approximately 5,500 RC drill sample pulps from the Mt Caudan prospect for gold analysis.

Cazaly Iron Pty Ltd (ASX:CAZ) has continued its program of RC drilling for iron ore at Mt Caudan and much of the sample material from their drilling is also considered gold prospective. Re-analysis of existing drill pulps provides the Company with a rare opportunity for inexpensive evaluation of the gold resource potential within the Mt Caudan Banded Iron Formation.

Corunna Downs Iron Project

In early August 2008, Golder Associates completed environmental mapping at the Corunna Downs area in preparation for rehabilitating an existing drill access track. An earthmoving contractor accompanied Golder's on their visit to establish costs. The company has now lodged its work submissions with DoIR and the Pilbara Native Title Service and anticipates timely completion of heritage surveys and permitting ahead of its program of RC drilling in October 2008.

The Company has commissioned Haines Surveys to conduct a detailed gravity survey across the Corunna Downs jaspilite in late-September 2008, with 650 stations planned on an approximate grid spacing of 250m x 50m.

Corunna Downs Iron Ore Prospect (continued)

Similar work by Haines at the Pardoo DSO project for Atlas Iron Limited proved highly effective in mapping out the majority of their current DSO (direct shipping ore) resources.

Gondwana believes that its exploration for high-value, near-term DSO ores can be accelerated and more focused with the new, terrain-corrected gravity dataset.

Subject to the heritage and DoIR permitting timetable, RC drilling at the Corunna Downs Iron Ore Prospect is scheduled to commence in October 2008.

Contact

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Warren Beckwith
Director

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 David Burton, MBA, BSc (Hon), FAIG. Mr Burton 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 Burton consents to the inclusion in this Annual Report of the matters based on his information in the form and context in which it appears. Mr Burton is a full-time consultant to the Company.

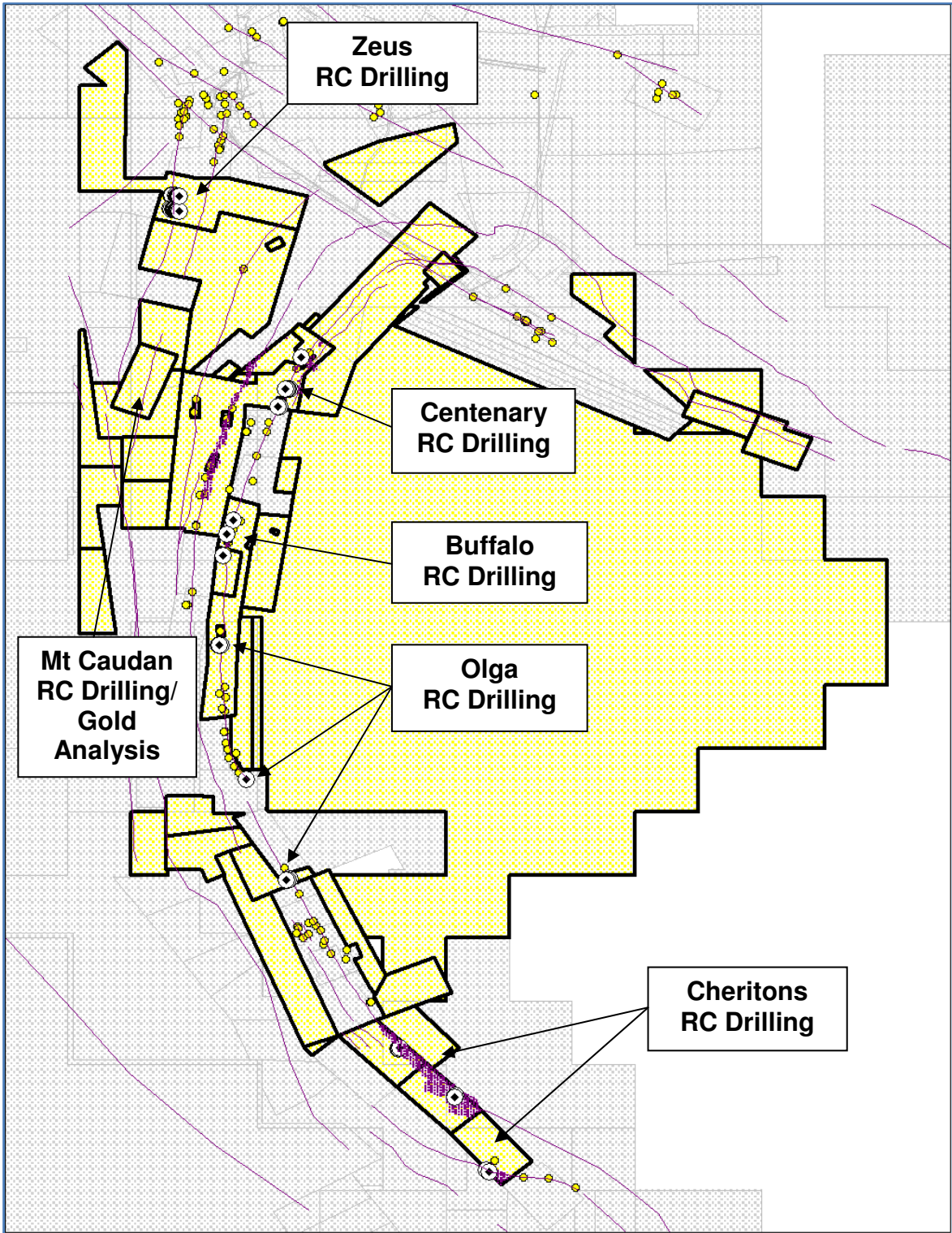


Figure 1 Location Map showing Gondwana's tenure and planned drilling