

# Gondwana

## RESOURCES LIMITED

ABN 72 008 915 311

Dear Shareholder

### **NON-RENOUNCEABLE ENTITLEMENT ISSUE**

On 25 November 2008, Gondwana Resources Limited (**Company**) lodged a prospectus (**Prospectus**) with the Australian Securities & Investments Commission (**ASIC**) in relation to a non-renounceable entitlement issue of one fully paid ordinary share in the capital of the Company (**Share**) for every Share held by shareholders of the Company holding Shares as at the Record Date (as set out in the timetable below) (**Eligible Shareholders**) at an issue price of 1 cent per Share, together with one free attaching option to acquire a Share (**New Option**) for every Share subscribed for, to raise up to approximately \$735,335 (**Offer**).

Shareholders holding less than 200,000 Shares after taking up their full entitlement under the Offer, may apply for additional Shares to round up their holding to 200,000 Shares with such additional Shares to be allotted out of the shortfall to the Offer (if any) (**Rounding Up Offer**). Shareholders wishing to apply for additional Shares under the Rounding Up Offer are requested to following the instruction set out in the Prospectus and on their entitlement and acceptance form accompanying the Prospectus. The directors of the Company advise they cannot guarantee that the number of Shares applied for under the Rounding Up Offer will be available for allocation as such allocations are dependent on there being a shortfall to the Offer.

All of the Shares offered under the Prospectus will rank equally with the Shares on issue at the date of the Prospectus. All of the New Options offered under the Prospectus are exercisable at 1 cent each on or before 31 May 2009. Upon exercise of New Options, each option holder will be issued with one Share and one further Option (**Piggy Back Option**). The Piggy Back Options are exercisable at 1 cent each on or before 30 June 2011.

The Prospectus contains further information regarding the rights and liabilities attaching to the Shares and the full terms and conditions attaching to the Options and the Piggy Back Options.

The 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 the Prospectus. It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Shareholders resident in New Zealand should consult their professional advisors as to whether any government or other consents are required, or other formalities need to be observed, to enable them to exercise their entitlements under the Offer.

### **Timetable**

The timetable in respect of the Offer is set out below:

<b>Event</b>	<b>Date</b>
Lodgement of Prospectus with the ASIC	25 November 2008
Lodgement of Prospectus and Appendix 3B with ASX	25 November 2008
Notice sent to Optionholders	26 November 2008
Notice sent to Shareholders	27 November 2008
Ex date	28 November 2008
<b>Record date</b> for determining entitlement to participate in the Offer	5.00 pm (WDST) 4 December 2008
Prospectus despatched to Eligible Shareholders	8 December 2008
<b>Closing Date*</b>	5.00 pm (WDST) 23 December 2008
Securities quoted on a deferred settlement basis	24 December 2008
Company notifies ASX of under subscriptions (if any)	30 December 2008
Holding statements despatched & deferred settlement trading ends	5 January 2009

\* The directors of the Company may extend the Closing Date by giving at least 6 business days notice to ASX prior to the Closing Date. As such the date the Shares and New Options are expected to commence trading on ASX may vary.

## Capital Structure

Upon completion of the Offer (assuming the Offer is fully subscribed and no Options exercised prior to the Record Date), the capital structure of the Company will be:

	<b>Number</b>
<b>Shares</b>	
Issued at the date of the Prospectus	73,533,480
Offered pursuant to the Prospectus	73,533,480
Post completion of Offer	<b>147,066,960</b>
<b>Options</b>	
Issued at the date of the Prospectus:	
- Exercisable at \$0.10 on or before 30 June 2009 (Listed Options) <sup>1</sup>	2,037,015
- Exercisable at \$0.12 on or before 30 June 2010 (Listed Options) <sup>1</sup>	46,410,323
- Exercisable at \$0.20 on or before 30 June 2010 (Unlisted Options) <sup>2</sup>	600,000
- Exercisable at \$0.30 on or before 31 December 2011 (Unlisted Option) <sup>3</sup>	600,000
Offered pursuant to the Prospectus	73,533,480
Post completion of Offer	<b>123,180,813</b>

Notes: 1 - These Options are capable of being exercised prior to the Record Date.

2 - These Options do not vest until 1 January 2009.

3 - These Options do not vest until 1 July 2010.

## Availability of Prospectus

The Prospectus together with a personalised entitlement and acceptance form will be sent to Eligible Shareholders on the date set out in the timetable below. Instructions on how and when to apply under the Offer are set out in the Prospectus. The Prospectus is an important document and should be read in its entirety before deciding whether to accept an entitlement. If after reading the Prospectus you have any questions you should consult your stockbroker, accountant or other professional adviser.

The Prospectus has also been lodged with ASX and is available on the ASX website at [www.asx.com.au](http://www.asx.com.au) and on the Company's website at [www.gondwanaresources.com](http://www.gondwanaresources.com).

## Use of Funds

The funds raised by the Offer will be used to fund exploration programmes at the Company's mineral exploration projects, evaluation of new projects, retirement of short-term debt, general working capital and to meet the anticipated expenses of the Offer

## Application for quotation

The Company has applied to ASX for quotation of the Shares and New Options to be issued pursuant to the 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 Shares and New Options and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

## Enquiries

If you have any questions about applying for securities under the Prospectus, please contact Debbie Pascoe at the Company on (08) 9388 9961 or [info@gondwanaresources.com](mailto:info@gondwanaresources.com) or Computershare Investor Services Pty Ltd on 1300 557 010.

Yours faithfully



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

27 November 2008