

Gondwana

RESOURCES LIMITED

ABN 72 008 915 311

23 January 2009

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

Dear Sirs

Rights Issue

1. Placement of Shortfall

The Company advises that the shortfall in the pro rata non-renounceable Rights Issue (“Offer”) pursuant to the Company’s Prospectus dated 25 November 2008 and Supplementary Prospectus dated 3 December 2008 has been placed.

The Shortfall, totalling 30,289,404 New Shares and 30,289,404 Options, has been placed on the same terms as the Offer, raising \$302,894.04 before issue costs.

2. Oversubscriptions

Applications for the Shortfall significantly exceeded the number of New Shares and New Options available. In order to accommodate the applicants for the additional shares (“Oversubscriptions”), the Company has decided to make two further placements on terms identical to the Offer, as follows:

	New Shares	New Options
<i>Placement:</i>		
- made by Directors immediately following the allotment of Shortfall, pursuant to ASX Listing Rule 7.1	6,030,000	6,030,000
<i>Proposed Placement:</i>		
- to be made, subject to shareholder approval, immediately following the general meeting (see below)	26,404,600	26,404,600
<i>Total Oversubscriptions:</i>	<u>32,434,600</u>	<u>32,434,600</u>

3. Summary of Rights Issue, Placement Made and Amount Raised

The results of the Rights Issue are summarised below:

	New Shares	New Options	Amount raised* \$
<i>Offer:</i>			
Entitlements taken up	43,244,696	43,244,696	
Shortfall placed	<u>30,289,404</u>	<u>30,289,404</u>	
	73,534,100	73,534,100	735,341.00
<i>Placement:</i>			
Placement made by Directors	<u>6,030,000</u>	<u>6,030,000</u>	60,300.00
<i>Total:</i>	<u>79,564,100</u>	<u>79,564,100</u>	<u>\$795,641.00</u>

* The amount raised is before issue costs

4. Proposed Placement

	New Shares	New Options
Proposed Placement, subject to shareholder approval	26,404,600	26,404,600

The additional amount expected to be raised from the Proposed Placement is \$264,046.00 (before issue costs).

The general meeting of shareholders required to approve the Proposed Placement will be convened immediately.

5. Terms of New Options

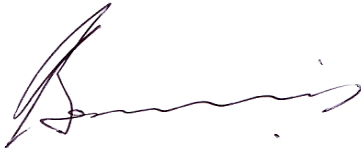
All options referred to above ("*New Options*"), are exercisable on or before 31 May 2009 at 1¢ each. Upon the valid exercise of a New Option, in addition to being issued a Share, the holder will be issued with one "Piggy-back Option" exercisable at 1 cent each by 30 June 2011.

6. Use of funds

The Company intends to apply the funds raised from the Offer and the placements principally towards exploration programmes at the Company's Western Australian gold and mineral projects, evaluation of new projects, corporate and administration expenses, retirement of short-term debt and general working capital.

In particular, the Company will focus in the short term on its pre-feasibility study for the Buffalo-Spring Hill Gold Project at Parker Range.

Yours faithfully



Warren Beckwith
Director
Gondwana Resources Limited

GDA/ASX/09-01

For further information, please contact the Warren Beckwith or Debbie Pascoe on telephone (08) 9388 9961 or (08) 9388 9697 or by email at info@gondwanaresources.com or visit the Company's website www.gondwanaresources.com.