



HALF-YEAR REPORT TO 30 JUNE 2017

PO Box 5010, Burnley, Victoria, Australia 3121
Registered Office: 47 Ord Street, West Perth, Western Australia 6005
Telephone: +61 3 8846 8103 Facsimile: +61 3 8678 3112
Enquiries: info@gondwanaresources.com Web: www.gondwanaresources.com.au

DIRECTORS' REPORT

The directors present their report together with the financial report of Gondwana Resources Limited (Gondwana or the Company) for the half-year ended 30 June 2017 and the auditor's review report thereon.

DIRECTORS

The directors of the Company at any time during or since the end of the half year are:

Warren Talbot Beckwith
Non-Executive Chairman
Appointed 3 April 1998

Warren is a Chartered Accountant with many years' experience as a partner in international firms within Australia and overseas and is currently chairman of Westralian Group Pty Ltd, which is engaged in corporate advisory services and investment in Australia and Hong Kong. He is a Fellow of the Institute of Chartered Accountants in Australia, Fellow of the Hong Kong Institute of Certified Public Accountants and Fellow of the Australian Institute of Company Directors. Warren has held directorships or executive positions in listed companies in Australia and Hong Kong for many years and is currently an independent non-executive director of China Properties Group Limited (Hong Kong-listed) and Utopia Limited (Hong Kong).

Steven Leigh Pynt
Non-Executive Director and Company Secretary
Appointed director 17 March 2000; appointed company secretary 9 February 2015

Steven is the Legal Director of a major retail franchising company and is a commercial lawyer in private practice specializing in commercial law, including corporations law, franchising and contracts. In addition to completing his law degree in 1980, Steven has completed a Bachelor of Business majoring in Accounting, an MBA and a Master of Taxation Studies. Steven has had long experience as company director and is Chairman of Global Health Limited and Ephraim Resources Limited (both ASX-listed companies).

Jolyon James Sinclair
Non-Executive Director
Appointed 24 October 2012

Jol has over 15 years in asset finance, venture capital and business development. He has held National Sales and Marketing roles for publicly listed IT companies before creating a niche venture capital and asset finance company specialising in the mining and telecommunications industries. Jol is also an executive director of a company specialising in commercial, retail and office installations.

PRINCIPAL ACTIVITIES

The Company's principal activity during the half-year was mineral exploration.

REVIEW OF OPERATIONS

Review and results of operations

The Review of Operations is set out on Pages 3 to 13 of this report.

The loss of the Company for the half year ended 30 June 2017 after income tax was \$344,807 (2016 Loss \$329,611).

Corporate

On 12 May 2014, Ochre Industries Pty Limited (Ochre), a wholly owned subsidiary of Ochre Group Holdings Limited, announced a conditional and unsolicited off-market takeover offer for Gondwana (Offer). The Offer was a conditional offer of \$0.082 cash per Gondwana Share. Ochre's Offer is set out in its bidder's statement lodged with ASIC and released to the ASX on 19 June 2014, as supplemented by Ochre's first supplementary bidder's statement dated 2 July 2014. The Company issued its Target's Statement on 18 July 2014 and the directors unanimously recommended that shareholders reject the Offer. On 18 August 2014 and 19 August 2014, Ochre announced that it had increased the Offer Price under its offer to \$0.115 per Gondwana Share and declared the offer free of certain conditions (Revised Offer).

The Company issued its First Supplementary Target's Statement on 10 September 2014, the directors unanimously recommending that shareholders reject the Revised Offer. The Revised Offer expired on 7 November 2014 and was not extended.

During the takeover bid, the Company incurred substantial legal and other professional costs as well as ongoing operating costs. One of the seriously adverse effects of the takeover bid was to prevent the Company proceeding with its proposed underwritten rights issues (for which, in April 2014 and again in May 2014, a Prospectus was issued and each time was required to be withdrawn).

As a result, the Company was only able to pay these substantial costs from the proceeds of sale of non-core assets, principally:

DIRECTORS' REPORT (continued)

- on 1 July 2014, the sale to Atlas Operations Pty Ltd (a subsidiary of Atlas Iron Limited) to sell its 90% interest in the Panorama tenement in the Pilbara for \$200,000.
- on 22 October 2015, the agreement to terminate Atlas' obligation to make a \$1.13/tonne royalty payment to Gondwana on the first 30M tonnes produced from Atlas' Corunna Downs Iron Project (Termination Agreement). The consideration was \$500,000 payable within 7 days, \$500,000 payable within 180 days, and \$1,000,000 in Atlas shares on 1 August 2016. The proceeds in cash and shares have since been received. A further \$250,000 is payable to Gondwana within 30 days of first iron ore exports from Corunna Downs. Gondwana retained the \$1.13/tonne royalty on tonnes beyond the first 30M of production at Corunna Downs and a royalty of 1% of gross revenue from iron ore and other minerals mined and sold from Panorama (Remaining Royalty Interests).
- on 23 December 2016, settlement of the sale of non-core tenements at Parker Range for \$247,476 (net of selling costs).

As at the date of this report, all material debts other than related parties have been repaid.

During this period of indebtedness, from mid-2014 until late 2016, the Company was unable to complete and lodge with ASX Limited (ASX) its statutory audited financial statements and half yearly or annual reports. As a consequence, the Company's securities were suspended from trading by ASX on 15 September 2014. The Company has now completed all outstanding audited financial statements and reports for the 2014 to 2016 years and will table these at the forthcoming Annual General Meeting of shareholders.

On 11 November 2016, the Company announced an agreement to sell Gondwana's Remaining Royalty Interests to Ochre. Having entered into an arrangement to sell back to Atlas Iron Limited (Atlas) the royalties on the first 30 million tonnes of production from Atlas' Corunna Downs iron project, Gondwana remained entitled to royalties from any production beyond 30Mt at Corunna Downs and any future production from Atlas' Panorama tenement, together referred to as the "Remaining Royalty Interests" (refer to the Company's previous ASX releases, also Atlas releases (ASX:AGO) for details).

The consideration payable to Gondwana by Ochre under the agreement for the sale of the Remaining Royalty Interests comprises:

- the buy back and cancellation of all shares held by OGH and its associated company, Joffrey Pty Limited, in Gondwana (OGH Shares); and
- cash of \$100,000.

The agreement is subject to receipt of the deposit and the consent of Atlas, both of which have been received, and the approval of Gondwana pursuant to the requirements for a selective share buy-back under Division 2 of Part 2J.1 of the Corporations Act and the requirements for the disposal of a substantial asset to a substantial holder under Listing Rule 10.1. Shareholder approval will be sought at the Company's forthcoming annual general meeting.

On 11 January 2017, the Company entered into an agreement with Bellatrix Pty Ltd, an entity controlled by Warren Beckwith, for a new unsecured loan of \$300,000. \$25,000 was drawn down on 30 June 2017 and \$275,000 was drawn down on 11 July 2017. The loan is repayable on demand and bears interest at the rate of 7.5% per annum and a \$15,000 establishment fee was paid.

On 12 June 2017, the Company raised \$133,638 from the placement of 3,818,227 new shares issued at a price of 3.5 cents each.

After Balance Date Events

Other than disclosed above, no events, matters or circumstances have arisen since the end of the half-year which, in the opinion of the directors, are likely to significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 14 and forms part of the directors' report for the six months ended 30 June 2017.

Dated at Perth this 12th day of September 2017 and signed in accordance with a resolution of the directors.



Steven Pynt
Director

REVIEW OF OPERATIONS

PARKER RANGE PROJECT

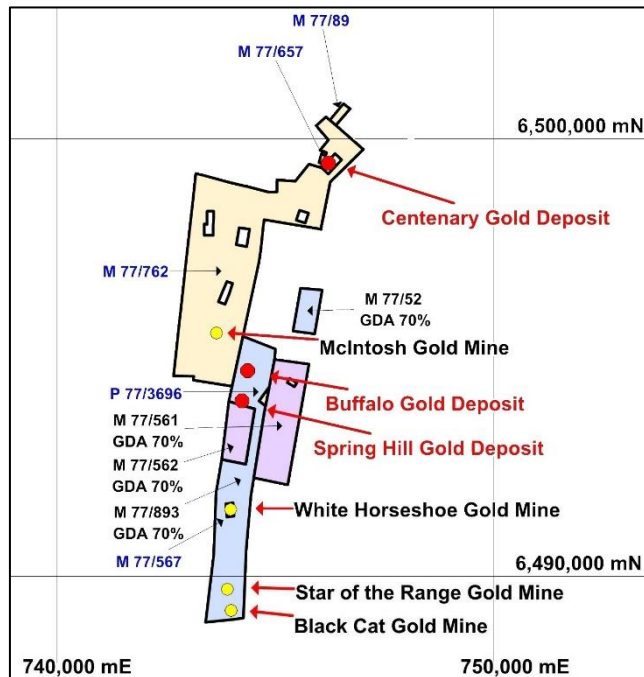


Figure 1: Location of the Parker Range Project

The Parker Range Project is located in the Southern Cross Greenstone Belt, immediately south of Marvel Loch and 80km north of Western Area's Forrestania Nickel Operations. The project area comprises exploration tenure of approximately 500 km² prospective for gold and nickel and contains numerous historic gold mines.

The Southern Cross area is a well-recognized regional mining centre offering excellent established infrastructure and a long gold mining tradition. Historic production since 1906 when gold was first discovered in the region exceeds 12Mozs of gold and 1,100,000t of nickel.

Gondwana's recent focus at Parker Range has been to transform historic gold deposits – Buffalo and Spring Hill (70% Gondwana) and Centenary (100% Gondwana) - into JORC compliant gold resources and explore nearby historic gold prospects with the aim of increasing total resources.

In mid-2010, Gondwana was successful in discovering additional gold resources at the Centenary gold project, 5km north of Buffalo. The

Parker Range Gold Project, comprising the Buffalo, Spring Hill and Centenary deposits is now estimated to contain a total 101,350oz Au Mineral Resource (refer Appendix 1).

Gold Mining Project

The Company has been conducting mining studies for the Parker Range Gold Project with a view to establishing production on a toll treatment basis. The Parker Range Gold Project is a relatively small gold deposit but has the potential to be exploited for a low capital cost through the use of mining contractors and toll treatment at one of several nearby gold treatment plants. Metallurgical tests conducted by the Company have established that the ore is also amenable to heap leach treatment.

Following the completion of Whittle pit shell optimization studies for the Centenary, Buffalo and Spring Hill gold deposits, with positive results for all three pits, Minecomp Pty Ltd were engaged to generate pit designs, life-of-mine schedules, cash flow projections and preliminary ore reserve estimates.

The project management plans for both the Buffalo and Centenary mines and flora and fauna surveys were completed with the assistance of Keith Lindbeck & Associates and submitted to the DMP during 2013 and the mining proposals received approval.

In October 2013, Capital Mine Consulting (CMC) completed an independent review of the project's economic feasibility based on production parameters, the Company's budgeted costs including quotes obtained from independent mining and cartage contractors and other proposed suppliers. CMC's report was received during the quarter and this broadly supported and confirmed the Company's projections, noting that *"although relatively small, the Parker Range Project appears to have positive economics and the completion of the recommended work could further enhance project robustness"*.

CMC reported that further work could enhance and extend the gold inventory at Parker Range and the project's robustness and noted that historical mining at Centenary recovered average grades of 16g/t, suggesting potential for a high grade core

In January 2014, notwithstanding the above and the advanced stage of DMP approvals process, the Company announced that, after careful consideration of the recent decline in the gold price and other factors, mining studies had been temporarily suspended *"until the gold price recovers at least to levels prevailing in 2012"*.

At the time of suspension, the mine project management plans had received DMP approval but the Company's consultants had, at that point, failed to satisfy the DMP Environment Group with the design of the abandonment bunds.

In late 2016, in the light of the significant increase in the AUD gold price, an upward revision in the Buffalo Mineral Resource estimate carried out by the Company's resource geologist and reductions in budgeted operating costs, MineComp were requested to update the Parker Range studies. With renewed optimism, discussions have recommenced with toll treatment plant operators and experienced miners who specialize in developing and mining small deposits and these discussions have reached an advanced stage.

The Company is considering options for a mining joint venture or similar commercial arrangement or, alternatively, the Company could consider raising the capital to develop and mine the deposits itself.

Gold exploration prospects

Exploration tenements, including the Toomey Hills Group and part of the Northern, Dulcie and Eastern Groups, have been disposed of to reduce exploration commitments. Exploration has continued on remaining exploration interests at Parker Range.

Parker Range Gold Exploration

A recent historic soil data compilation identified multiple gold in soil anomalies within open file reports A39388 (Spring Hill), A50319 (Star of the Range to White Horseshoe) and A50319 (Buffalo). During the second half of 2016, anomalous gold areas were infill soil sampled at Buffalo East, Mopoke North/South, Gordon Highlander, White Horseshoe, Star of the Range and Black Cat prospects.

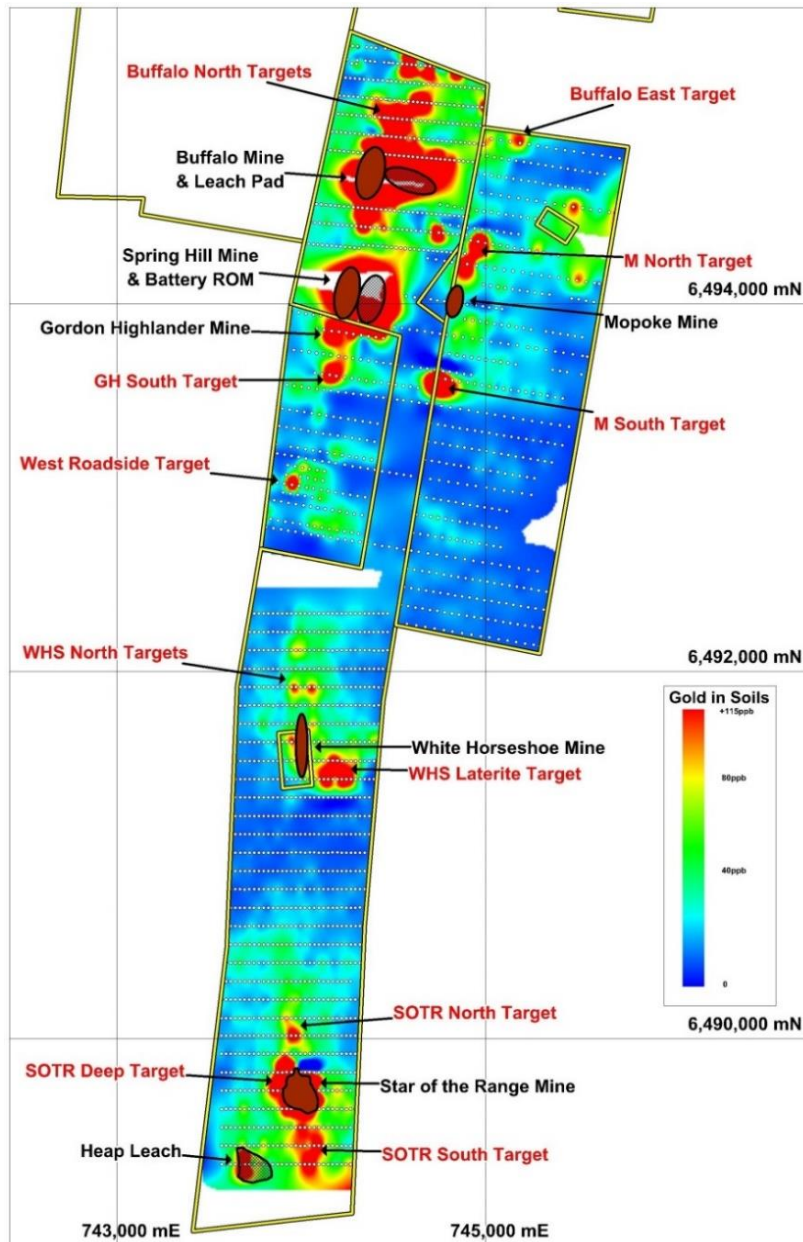


Figure 2: Gold in soils grid from shallow auger digitized from A39388 and A50319

During 2016, extensive infill soil surveying programs have been completed in the Company's Parker Range tenements, with gold-in-soil samples taken from a depth between 0.2m and 0.3m (see figure 3). The soil samples were not sieved but comprise of whole rock, soil and laterite pisoliths approximately 1kg in weight. Some graphitic sulphidic sediment outcrops were sampled for carbon content and multiple pegmatite outcrops were rock chipped for lithium content.

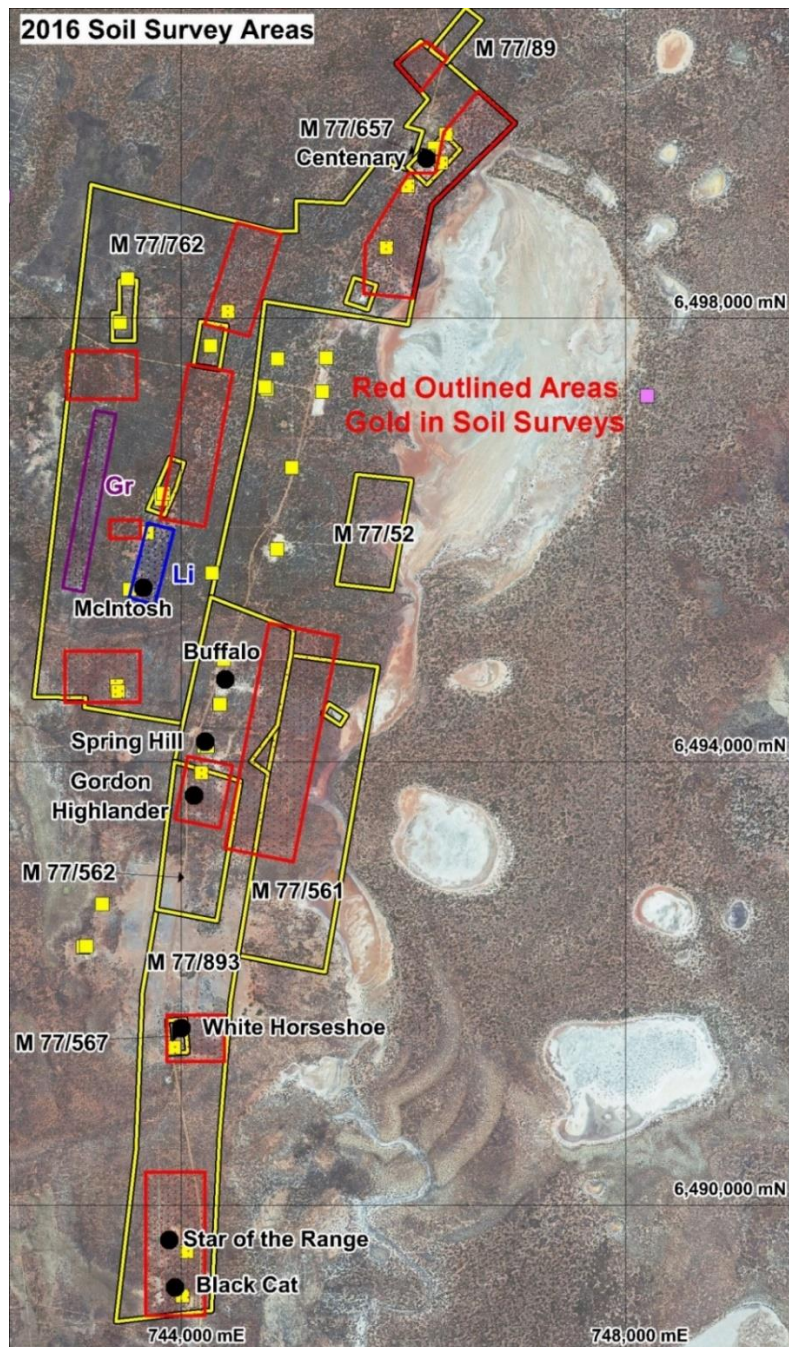


Figure 3: Soil Geochemical survey areas 2016

Gold-in-soil samples assays will be used for drill planning, focusing down dip (to the west) of the Black Cat underground, the Black Cat laterite and the Star of the Range laterite mine.

A recent review of the Star of the Range area shows that the historic 1990 mining and exploration did not cover the area immediately south of the Star of the Range mine and north of the Black Cat underground mine. This is because, at that time, the Star of the Range miners did not own the old Black Cat tenement which is now part of Gondwana's tenement holdings.

Black Cat is located at an inflection in the magnetics and mapped in earlier Mines Department bulletins as 3 x BIF units bending at that location. A steeply plunging quartz vein similar to Centenary may exist in-between the iron rich amphibolites, A depleted sulphide zone will be leached near the surface along the eastern BIF as it has enriched the remnant relict laterite.

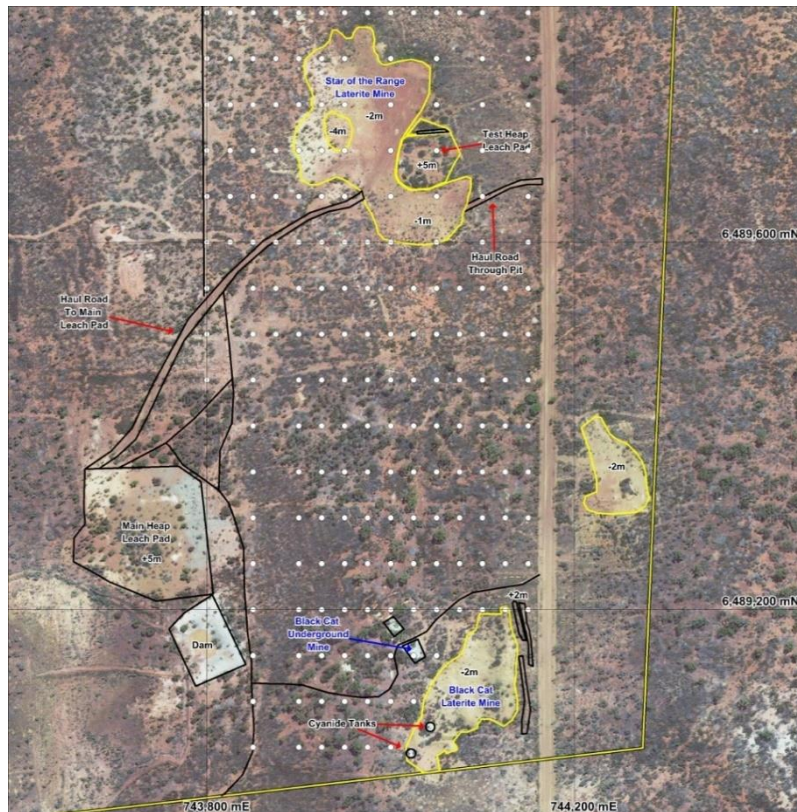


Figure 4: Gold sample location Black Cat to Star of the Range on satellite with topographic features

The Star of the Range and Black Cat gold mine laterite pits show extensive oxidization of an altered amphibolite, which developed after intense shearing of the mafic host. Gold in soil mineralisation is likely continuous between the 2 pits, and under the cross cutting alluvial drainage channel (through the centre of the soil survey) which drains into the salt lake. Remnant exposures of laterite are all that remains of the relict soil terrain, some of which was mined prior to 1982 and the rest in 1992. Multiple quartz lodes were injected along shear zones between the stacked BIF units and although small in tonnage, some do have bonanza +80g/t gold grades.

A gold in soil anomaly was historically mapped in A22398 (Star of the Range Annual report for M77/55 & M77/56 Nov 1987) with good shallow drilling results in laterite pits, but not across the Black Cat area. A deep target zone is down dip of multiple outcropping drag folded BIF units at Black Cat. In the stopes of the Black Cat underground, tightly folded units suggesting a deeper gold target exists down plunge in the fold nose not reached in the area's historic shallow drilling.

An airborne EM survey is still to be conducted for sulphide detection down dip prior to finalising the planned RC drill hole program design.

The 1940 geology map (GSWA Bulletin 99) shows three kink folded BIF's and a single 45° angled Black Cat underlay shaft, located west of the existing small laterite pit on the tenement boundary. Late stage gold bearing quartz lodes (such as Black Cat) can withhold their gold once oxidised, unlike the larger tonnage sulphide lodes which get depleted as gold remobilises to the surface. Bulletin 99 discusses geological examination of the Black Cat underground during mining "No work has been carried out to any great depth, because the ore bodies have pinched to stringers with a flattening in dip. It is likely that the dip will steepen again and the ore shoots will gradually attain their original dimensions. For this reason, prospecting below the known ore shoots is recommended, taking into account their pitch." After careful examination of the Black Cat underground mine during operation (pre WWII), it was noted the "ground water is at 144ft vertical depth" which shows the depth of probable gold depletion from near surface oxidisation and "two ore shoots, which pitch steeply to the south east, are being mined and the main shaft is sunk between them" which is opposite the BIF dip and suggests a brittle deformed host.

Recommended in 1940 was to underground drive northwest and southeast along the BIF strike as new shoots will "probably be disclosed", but only where the main underlay shaft dips change from 45° to 52°. The main underlay shaft changed steepness at 93ft (down shaft) to 143ft (down shaft) when the underlay shaft returns to a 45° dip to 200ft (down shaft) or 144ft V.D. Changes in BIF dip have resulted from folding on a horizontal northwest-southeast axis, and could repeat at depth.

The local steeping in the BIF dip has influenced the quartz deposition, plus there is a pronounced fold in the

3 BIF's outcropping, with the fold nose area down dip still to be investigated. The 400m long Black Cat target zone identified on the new soil survey map is untested past 144 ft V.D or 44m vertical depth indicated in the 1940 report. The 400m long Star of the Range target zone identified with the new soil results is untested past the water table depth too.

At Black Cat a tightly spaced RC drill program is being design to drill across all 3 BIFs, to target at depth the steeply plunging quartz veins in fold hinges between each BIF unit.

Planning of deeper RC holes down dip to the west of the 800m long gold in soil anomaly will target large tonnage dipping conductors for gold mineralisation, if mineralisation is similar to the Buffalo deposit in the north of the tenement over a target strike length of 100m - 200m. The soils have been contoured together with previous mine area contaminated soils removed, highlighting five gold targets.

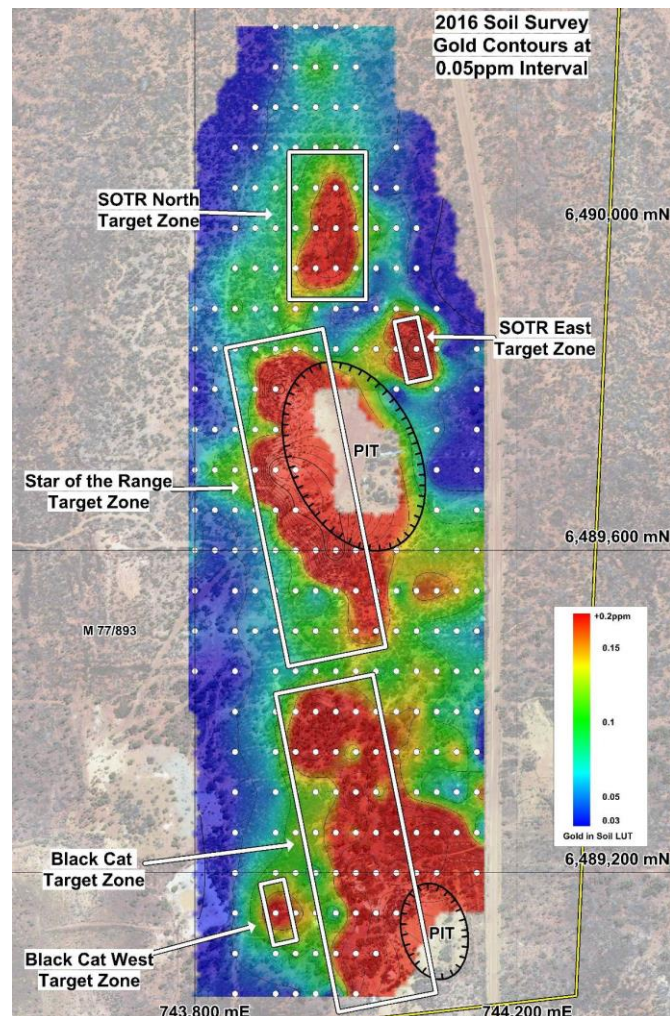


Figure 5: Black Cat Gold Target Zone is 400m long and Star of the Range Gold Target Zone is 400m

Cross cutting veins "in a pressure shadow" dipping SE are perpendicular to the SW dipping BIF and amphibolite host indicate brittle fracturing from southern tenement boundary to SOTR mine. The folded BIF at this location is changing dip and plunge due to the compression creating a kink fold, with a possible radial brittle deformation later infilling with 1-2ft wide quartz vein sets.

Drilling of three other gold mines along the same BIF hosted geology (at Centenary, Buffalo and Spring Hill) showed up to 4 stacked BIF units with them all carrying varying amounts of gold. Gold mineralisation is often enriched in the central and eastern BIF units, closest to the granite dome upwelling. At Centenary quartz rich shoots plunge down the main asymmetric fold void created during folding of the BIF, from horizontal N-S movements along the shear zone around the dome.

Many Parker Range gold deposits have higher grade and higher tonnage mineralisation below the depletion zone, where fresh pyrrhotite sulphide mineralisation is located. The gold sulphide ore is formed within a proximal shear zone parallel to the granite dome. The gold rich sulphide mineralisation is usually at the centre of a major shearing system and often adjoins a distal shear zone on sheared margins, creating amphibolite magnetite alteration along the belts entire strike length.

White Horseshoe mine survey

Gold in soil assays show a relict laterite ridge to the south east of the White Horseshoe mine in the drainage direction towards the salt lake. The low gold tenor of 0.1g/t indicates this laterite is only weakly mineralised, although still warrants some shallow drill holes though the centre of the +0.1g/t gold in soil anomaly to confirm higher gold grades don't exist below the soil samples 0.3m depth.

This laterite is possibly secondary erosion from the White Horseshoe mine area or a redox front from an earlier east trending drainage channel, which has now etched southwards around the gold in soil anomaly causing a 2m raised 200m long laterite outcrop. Gold enrichment within a 1-2m thick laterite zone located below a 0.5m depleted surface laterite might still exist requiring shallow drilling to ascertain if there is any small tonnage laterite zones containing over 0.5g/t for heap leaching.

Gordon Highlander mine survey

At the Gordon Highlander historic underground mine, approximately 300m south of Spring Hill workings, the southernmost hole during the 2010 RC program intersected 3m @ 1.01 g/t from 14m down hole depth and 5m @ 1.97g/t from 23m depth in hole 10SHRC014.

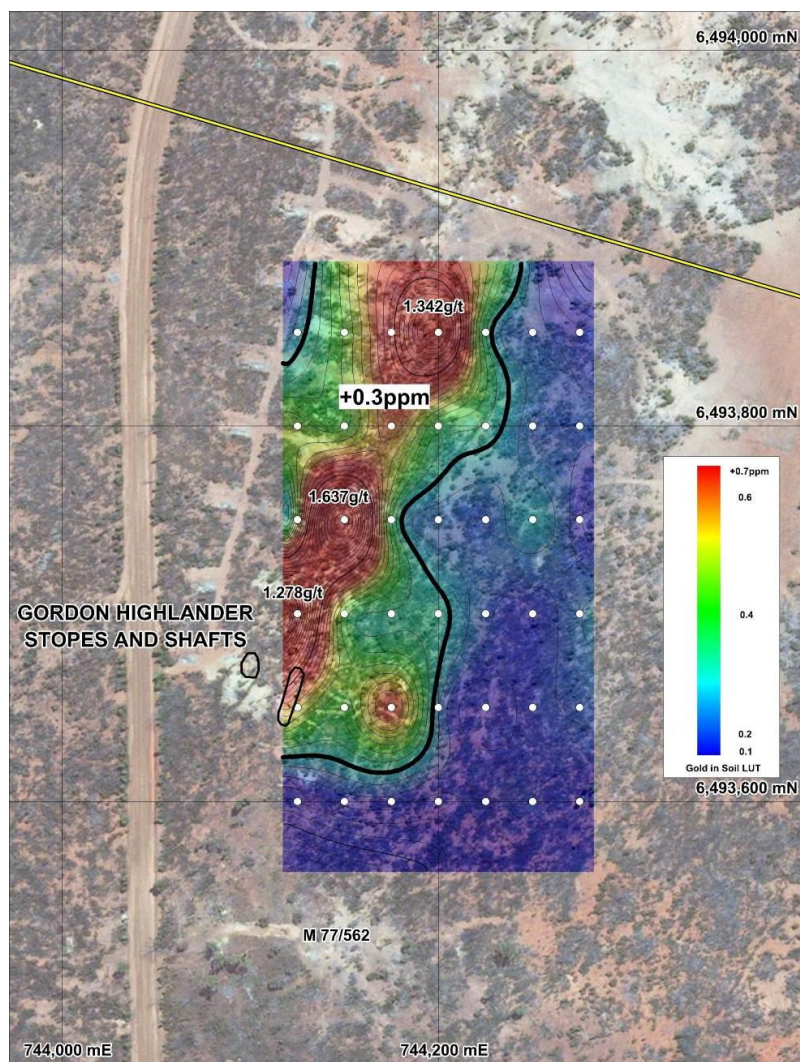


Figure 6: Gordon Highlander mine has multiple high grade soil assays within +0.3g/t areas

The 2010 drill intersect is up-dip from a previously drilled 2008 RC exploration hole (SHRC08015) which intersected 5m @ 1.57g/t from 36m depth. The best RC results at Gordon Highlander are:

SHRC08015 : 26m to 32m 6m @ 0.83 and 36m to 41m - 5m @ 1.57

10SHRC014 : 14m to 17m - 3m @ 1.01 and 23m to 28m - 5m @ 1.97g/t

Detailed gold in soil assays taken to the north and east of the Gordon Highlander historic workings show +0.3g/t gold anomalism from the Spring Hill mine area to the Gordon Highlander mine because the mineralised BIF outcrops there containing up to 1.637g/t in soils. There is also a small anomaly to the east off the main zone however that could be contamination. The area to the south east of the BIF has no further anomalies although there are cultural disturbances in this area.

A second soil survey will be designed for later in 2017, to outline the end of the anomalous gold trend south west of Gordon Highlander up to the main road. This soil data will be used to orientate further infill RC drilling down dip and along strike to the south west of the Gordon Highlander shaft.

Mopoke north and south survey

The Mopoke North quartz vein has been drill previously tested and a review of the drilling effectiveness shows additional holes are required. This drilling was performed in 2010 and the two holes showed 1m gold intersects up to 0.9 g/t, but they were very shallow and do require deeper holes to test veins below oxide level. The +0.3g/t soil gold anomalism survey extends 100m to the north of the quartz vein outcrop and further drill holes are being designed to test north of the outcrop area.

Buffalo East survey

Historic drilling within Wamex report A25941 shows a small zone of enrichment in the corner of the Centipede, Buffalo and Mopoke tenements. This mineralized area is located in shallow laterite around the margin of the salt lake where the hyper saline water encroachment towards Buffalo. This EM conductive high is shown on the company's 2010 V-TEM AEM data as high conductivity on all channels, with the underlying geology changing to more ultramafic at the location.

Secondary gold deposition is an important style of gold mineralization above or near to primary ore zones such as at the Golden Virgin pit north of Buffalo, which enriches near the surface because of the salt water interaction with the primary mineralisation. Shallow drilling is required south of the existing cleared drill line, to ascertain if this is primary or secondary mineralisation.

McIntosh to Raven Mine survey

The McIntosh area was infill soil sampled in early 2016. Results of this survey have been analysed and highlight the Raven laterite area east south east of the old Raven underground mine as a priority drill target. Only shallow drilling has been previously undertaken across the BIF at this location.

This lateritic gold mineralisation appears to be continuous downhill towards the salt lake and is coming directly from of the eastern side of the Raven underground shaft. This data identifies the eastern BIF of Raven could be similarly to Centenary which has a depletion zone down to 40m. As shown at Centenary to the north of Raven, the eastern BIF is heavily leached of gold in the top 40m making Raven's eastern BIF a priority drill target at depth. RC drilling is planned to test the down plunge and down dip mineralisation at Raven because historic drilling wasn't deep enough.

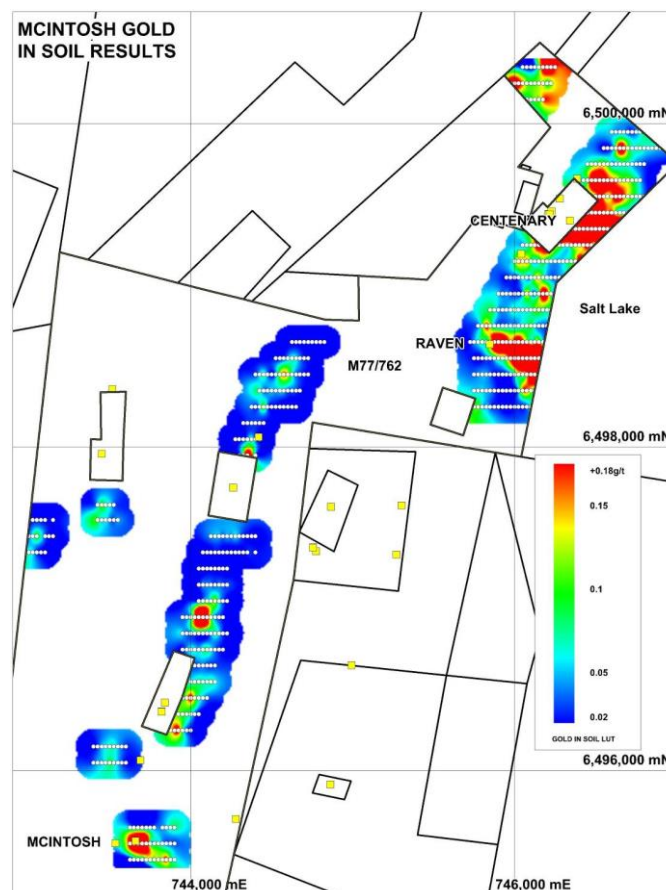


Figure 7: Centenary to McIntosh infill soils - target east of Raven is continuous to lake

Conclusions

A number of 1990's vintage soil survey/auger program anomalies were infill soil surveyed during 2016. This soil analysis has revealed high priority gold drilling targets at the Black Cat mine, Star of the Range mine, Gordon Highlander mine, and Raven Mine.

Secondary gold drilling targets are evident along the shear zone north of McIntosh, Mopoke North quartz vein and Buffalo East laterite area.

FORRESTANIA / MT HOLLAND

The Forrestania/Mt Holland project (exploration licence application) contains an unmined gold-bearing laterite, from an historic prospect referred to as the Blue Turtle prospect. No drill logs can be located but the drill locations are noted on plans.

WAMEX report A24752: Blue Turtle Annual report on Mt Holland E77/23 1988; Author Metals Exploration Ltd refers in the text to primary gold mineralisation at the Blue Turtle prospect up to 3m @ 6.6g/t from 9m with 3 to 6m of laterite pisoliths above grading up to 1.28g/t.

Shallow drilling on 100m spaced lines either side failed to delineate any continuity. In this area, depletion zones combined with near vertical gold shoots in the unweathered basement are often beneath near-surface oxide mineralisation, and it appears no deep RC drilling has been undertaken at this prospect. Multiple E-W trending dykes at this location have disturbed the N-S stratigraphy and mineralisation may be locally folded or remobilised, so could be trending oblique to the E-W drill lines. Gold mineralisation could potentially be around 150m in strike and may be related to a vertical or sub-vertical plunging shoot.

EAST PILBARA

Gobbo's Copper-Molybdenum Prospect

This tenement contains the Gobbo's copper/molybdenum prospect and the Cyclops nickel prospect. The Company entered into an agreement with Lepidico Ltd (formerly Platypus Minerals Ltd: ASX:LPD) to farm out tenement E45/3326 on the following terms: -

- Lepidico to sole fund \$500,000 on exploration within 3 years to earn a 51% interest, Gondwana retaining 39% and Adelaide Prospecting Pty Ltd (APPL) 10%. Lepidico has advised that it has since expended the required amount and has earned its 51% interest.
- Option to sole fund a further \$500,000 on exploration within a further 3 years to earn an additional 24% interest, with Gondwana retaining 15% and APPL 10%.
- Subsequent expenditure would be on a pro-rata basis by Lepidico and Gondwana, subject to dilution by industry standard formula. APPL would remain free carried to completion of a feasibility study.
- Should any party's interest fall below 5%, then that party's interest would convert to a 2.5% royalty on gross sales on all metals produced from the tenement.
- At any time after Lepidico has earned its 75% interest, Gondwana has the right to convert its remaining interest to a 2.5% royalty on gross sales on all metals produced.

Lepidico has announced significant reconnaissance drilling intercepts of copper, molybdenum and tungsten, and rated Gobbos as an outstanding unexplored prospects. However, Lepidico has announced it is looking to dispose of its interest in the Gobbo's Prospect to focus on other interests.

Nullagine Gold Prospect (E46/1026)

Nullagine gold project (EL46/1026) is considered prospective for mineralisation similar to that found at Millennium Minerals' Nullagine Gold Project, which holds a 31.76M tonne resource at 1.3g/t for a total of 1,280,400oz, (Millennium annual report 2016). Gold has also been mined from along the Blue Spec Fault, east of Gondwana's project. Historical drilling on the Blue Spec Fault indicates gold mineralisation extends over a 5km strike length, with gold being hosted in or adjacent to near vertical quartz veins.

The company has completed a data review and an initial field exploration program. ASTER imagery and an interpretation report was acquired from Geoimage Pty Ltd. Fieldwork included mapping of accessible areas and collection of 105 rock chip samples, with the best Gold, Arsenic and Copper results below:

Sample ID	Geology	Easting MGA94_51	Northing MGA94_51	Au ppm	As ppm	Cu ppm
GN040	Grey sandstone with lots of silica flooding and QZVNs	210529	7582439	0.31	53	9
GN076	Quartz vein which includes pyrite grains that have been altered to haematite, vein surrounded by silicified basalt	206661	7596183	0.16	68	60
GN083	red very altered fine grained basalt	205394	7596723	0.01	57	220
GN100	white red banded siliclastic	202404	7597450	<0.01	97	213

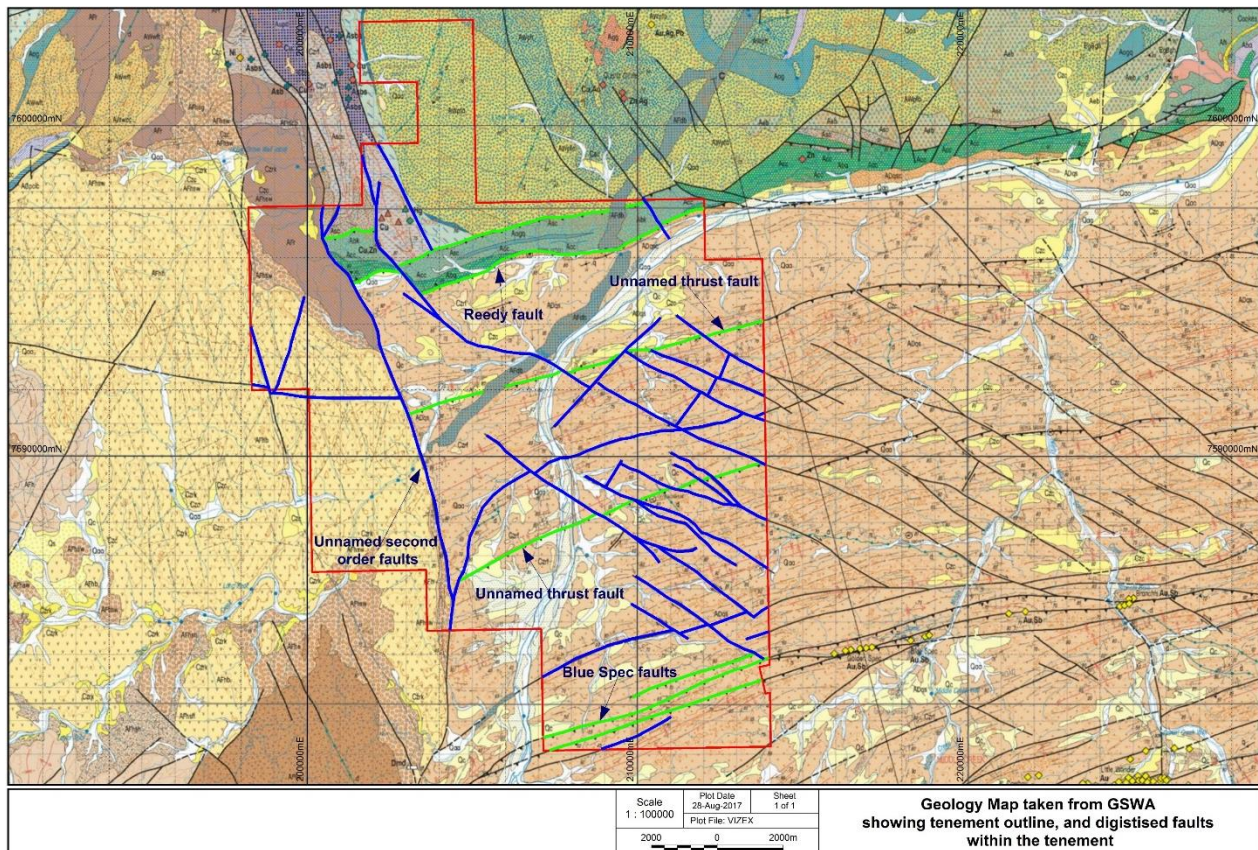


Figure 8: Tenement outline, major faults and the Blue Spec Mine location
(Millennium Minerals current mine areas extend across the area south of this plan)

Interpretation of the geology, the 2017 rock samples and the 2017 geochemical assays, coupled with a review of the complex mineralising mechanism of the Blue Spec Fault, has resulted in definition of two previously unknown and untested areas of interest.

The project is considered prospective for gold mineralisation for the following reasons:

- Correct sequence of geological units (as identified by Millennium Minerals) including the Mosquito Creek Formation.
- Correct regional structural setting, which includes the Blue Spec Fault and parallel fault zones
- Historical drilling intersected >5km strike length of gold anomalism (to the east of E46/1026)
- Complex local structural setting faults that may provide ideal hosts for mineralisation.
- Presence of mafic dolerites/gabbros.
- Anomalous gold results indicate mineralising fluids have been present within the tenement.

The work program indicates the Nullagine project has potential to host significant gold deposits in the following settings:

- A series of discordant (with respect to stratigraphy) vertically stacked quartz, pyrite reefs systems and quartz stockwork
- Discordant veins internally within the Blue Spec Fault
- Two anomalous gold results indicating that mineralising fluids have been present within the tenement.

A follow-up programme will now be designed and implementation in early 2018.

Other Pilbara tenements

The Company has retained a 90% interest in exploration licence E45/3956 (Comet East prospect – granted on 7 August 2017), which is considered prospective for gold.

IMPORTANT NOTE RE PARKER RANGE GOLD PROJECT ORE RESERVES

As the Company has not yet completed its formal Pre-Feasibility Study, no Ore Reserve estimate can yet be completed or announced. References to Ore Reserves in previously released reports are hereby withdrawn.

COMPETENT PERSON STATEMENT – EXPLORATION RESULTS

The information in this Report that relates to Exploration Results is based on information compiled by the Company by Mr Grant Donnes, a competent person who is a Member of the Australian Institute of Geoscientists. Mr Donnes has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (“JORC Code”). Mr Donnes consents to the inclusion in this Report of the matters based on his information in the form and context in which it appears.

COMPETENT PERSON STATEMENT – MINERAL RESOURCES

The information in the Independent Geological Report that relates to Exploration Targets, Exploration Results or Mineral Resources is based on information compiled by the Company and reviewed by Malcolm Castle, a competent person who is a Member of the Australasian Institute of Mining and Metallurgy (“AusIMM”). Malcolm Castle is a consultant geologist employed by Agricola Mining Consultants Pty Ltd. Mr Castle has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (“JORC Code”). Malcolm Castle consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Malcolm Castle’s review is based on information compiled by Mr David Hollingsworth, a consultant of the Company, who has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity to undertake the resource estimates and Mr Hollingsworth consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

APPENDIX 1

MINERAL RESOURCE ESTIMATES

Malcolm Castle of Agricola Mining Consultants Pty Ltd was commissioned by the Company to provide an updated Independent Review of the Resource Estimation for the Parker Range Gold Project in Western Australia, and he submitted his Report in October 2015. The Mineral Resource Estimates are set out below.

Refer to the Competent Person Statement above.

Resource Category	Tonnes	Grade (g/t)	Cut ounces* (Au)
Buffalo			
Indicated	346,400	2.7	29,700
Inferred	79,300	2.2	5,600
Spring Hill			
Indicated	226,400	2.0	14,250
Inferred	180,300	2.0	11,500
Centenary			
Indicated	391,000	2.4	30,400
Inferred	166,000	1.8	9,900
Total Project			
Indicated	963,800	2.4	74,350
Inferred	425,600	2.0	27,000

**Average grades are reported at 0.5g/t cutoff*

APPENDIX 2

TENEMENT LISTING

Tenement	Application	Granted	Status	Third Party Interest
East Pilbara Projects, WA				
Gobbs and Cyclops Projects				
E45/3326	10/10/2008	21/01/2011	Granted	Adelaide Prospecting 10%* Platypus Minerals earning 75% pursuant to farm-in agreement
Comet East & Nullagine Projects				
E45/3956	18/08/2011	7/08/2017	Granted	
E46/1026	26/05/2014	10/05/2016	Granted	
Parker Range Projects, Southern Cross WA				
Parker Range Gold Project				
M77/657-I	25/05/1994	3/02/1995	Granted	
M77/893	10/12/1997	3/01/2001	Granted	Cerro Resources NL 30%*
M77/52	26/06/1984	27/06/1984	Granted	Cerro Resources NL 30%*
M77/762-I	23/04/1996	25/01/2007	Granted	
M77/562	9/07/1992	23/10/1992	Granted	Barclay Holdings 30%*
M77/567-I	13/08/1992	5/01/1993	Granted	
M77/89	18/11/1985	26/03/1986	Granted	
M77/561	9/07/1992	23/10/1992	Granted	Barclay Holdings 30%*
L77/0264	5/09/2013	7/01/2014	Granted	Miscellaneous licence for road realignment
<i>* Free carried to feasibility study</i>				
Parker Range Exploration				
P77/4375	15/08/16	-	Pending	Earning 51% (holder: Emu Fence Exploration P/L)
P77/4376	15/08/16	-	Pending	Earning 51% (holder: Emu Fence Exploration P/L)
P77/4377	15/08/16	-	Pending	Earning 51% (holder: Emu Fence Exploration P/L)
P77/4378	15/08/16	-	Pending	Earning 51% (holder: Emu Fence Exploration P/L)
P77/4379	15/08/16	-	Pending	Earning 51% (holder: Emu Fence Exploration P/L)
P77/4380	15/08/16	-	Pending	Earning 51% (holder: Emu Fence Exploration P/L)
P77/2425	23/01/17	-	Pending	Earning 51% (holder: Emu Fence Exploration P/L)
P77/4418	23/01/17	-	Pending	Earning 51% (holder: Emu Fence Exploration P/L)
P77/4419	23/01/17	-	Pending	Earning 51% (holder: Emu Fence Exploration P/L)
P77/4420	23/01/17	-	Pending	Earning 51% (holder: Emu Fence Exploration P/L)
P77/4421	23/01/17	-	Pending	Earning 51% (holder: Emu Fence Exploration P/L)
P77/4422	23/01/17	-	Pending	Earning 51% (holder: Emu Fence Exploration P/L)
Forrestania/Mt Holland Project				
E77/2143	12/08/2013	-	Pending	
E77/2390	22/08/2016	-	Pending	

LEAD AUDITOR'S INDEPENDENCE DECLARATION

MOORE STEPHENS

Level 15, Exchange Tower,
2 The Esplanade, Perth, WA 6000
PO Box 5785, St Georges Terrace,
WA 6831

T +61 (0)8 9225 5355

F +61 (0)8 9225 6181

www.moorestephens.com.au

**AUDITOR'S INDEPENDENCE DECLARATION UNDER
S307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF GONDWANA RESOURCES LIMITED**

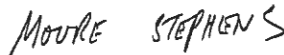
I declare that, to the best of my knowledge and belief, during the half year ended 30 June 2017, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Gondwana Resources Limited during the half year.



Suan-Lee Tan
Partner



Moore Stephens
Chartered Accountants

Signed at Perth this 12th day of September 2017

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 30 JUNE 2017

	Notes	Half-Year 30 June 2017 \$	Half-Year 30 June 2016 \$
Other income		-	-
Employee expenses		-	-
Office and corporate expenses		(121,264)	(168,920)
Capital raising costs		-	-
Legal and professional expenses		(3,781)	(5,010)
Depreciation expenses		-	-
Exploration expenditure		(204,771)	(155,734)
Results from operating activities		(329,816)	(329,664)
Finance income		9	53
Finance costs		(15,000)	-
Net finance income		(14,991)	53
Loss before income tax		(344,807)	(329,611)
Income tax expense		-	-
Loss for the period			(329,611)
Other comprehensive income		-	-
Total comprehensive profit/(loss) for the period		(344,807)	(329,611)
Loss attributable to Owners of the Company		(344,807)	(329,611)
Total Comprehensive loss for the period attributable to the Owners of the Company		(344,807)	(329,611)
Earnings per share:			
Basic loss per share		(1.16) cents	(1.28) cents
Diluted loss per share		(1.16) cents	(1.28) cents

The interim statement of comprehensive income is to be read in conjunction with the notes to the interim financial statements set out on pages 19 to 22.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Notes	30 June 2017	31 December 2016
		\$	\$
Assets			
Property, plant and equipment		-	-
Exploration and evaluation expenditure		110,300	116,060
Total non-current assets		110,300	116,060
Cash and cash equivalents		119,900	263,602
Trade & other receivables		-	64,940
Loan receivable	9	-	-
Total current assets		119,900	328,542
Total assets		230,200	444,602
Liabilities			
Trade and other payables		1,007,753	1,035,986
Interest bearing liabilities		25,000	-
Total current liabilities		1,032,753	1,035,986
Total liabilities		1,032,753	1,035,986
Net assets deficiency		(802,553)	(591,384)
Equity			
Share Capital	10	33,211,792	33,078,154
Reserves		140,781	140,781
Accumulated losses		(34,155,126)	(33,810,319)
Total equity		(802,553)	(591,384)

The interim statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages 19 to 22.

INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 30 JUNE 2017

	Ordinary Shares	Accumulated Losses	Share based payment Reserve	Total
	\$	\$	\$	\$
Balance at 1 January 2016	33,078,154	(33,371,730)	140,781	(152,795)
Total comprehensive income for the period				
Profit or loss	-	(329,611)	-	(329,611)
Total comprehensive income for the period:	-	(329,611)	-	(329,611)
Transactions with owners recorded directly in equity				
Contributions by and distributions to owners	-	-	-	-
Issue of shares	-	-	-	-
Share options exercised	-	-	-	-
Total contributions by and distributions by owners	-	-	-	-
Balance at 30 June 2016	33,078,154	(33,701,341)	140,781	(482,406)
Balance at 1 January 2017	33,078,154	(33,810,319)	140,781	(591,384)
Total comprehensive income for the period;				
Profit or loss	-	(344,807)	-	(344,807)
Total comprehensive income for the period:	-	(344,807)	-	(344,807)
Transactions with owners recorded directly in equity:				
Contributions by and distributions to owners	-	-	-	-
Issue of shares	133,638	-	-	133,638
Share options exercised	-	-	-	-
Total contributions by and distributions by owners	133,638	-	-	133,638
Balance at 30 June 2017	33,211,792	(34,155,126)	140,781	(802,553)

The interim statement of changes in equity is to be read in conjunction with the notes to the interim financial statements set out on pages 19 to 22.

INTERIM STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 30 JUNE 2017

	Half-Year 30 June 2017 \$	Half-Year 30 June 2016 \$
Cash flows from operating activities		
Cash receipts in the course of operations	-	-
Cash payments in the course of operations	(153,711)	(337,689)
Finance costs	(15,000)	-
Interest received	9	53
Net cash used in operating activities	(168,702)	(337,636)
Cash flows from investing activities		
Proceeds from cancellation fee	-	500,000
Net Loans to third party	-	-
Payments for plant & equipment	-	-
Payment of tenement	-	(15,760)
Net cash used in investing activities	-	484,240
Cash flows from financing activities		
Proceeds from share issue	-	-
Proceeds from borrowings	25,000	78,358
Net cash provided by financing activities	25,000	78,358
Net increase/(decrease) in cash held and cash equivalents	(143,702)	224,962
Cash and cash equivalents at 1 January	263,602	68,066
Cash and cash equivalents at 30 June	119,900	293,028
Non-cash investing and financing activities		
Settling of loans and payables through share placement	133,638	-

The interim statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 19 to 22.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2017

1. Reporting entity

Gondwana Resources Limited (the "Company") is a company domiciled in Australia. The condensed interim financial report for the Company relates to the six months ended 30 June 2017. The annual financial report of the company as at and for the year ended 31 December 2016 is available upon request from the Company's registered office at 47 Ord Street, West Perth, Western Australia 6005.

The interim financial report was authorised for issuance on 12th September 2017.

2. Statement of compliance

This general purpose financial report for the half year reporting period ended 30 June 2017 has been prepared in accordance with AASB 134 "Interim Financial Reporting" and the Corporations Act 2001.

This condensed interim financial report does not include all the information normally included in a full annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2016 and any public announcements made by the Company during the half year in accordance with the continuous disclosure requirements of the Corporations Act 2001.

3. Significant accounting policies

The accounting policies applied by the Company in this interim financial report are the same as those applied by the Company in its annual financial report as at and for the year ended 31 December 2016.

4. Estimates

The preparation of an interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this interim financial report, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial report as at and for the year ended 31 December 2016.

5. Going concern

On 12 May 2014, Ochre Industries Pty Limited (Ochre), a wholly owned subsidiary of Ochre Group Holdings Limited, announced a conditional and unsolicited off-market takeover for Gondwana (Offer). Ochre's offer was set out in its bidder's statement lodged with the ASIC and released to the ASX on 19 June 2014, as supplemented by Ochre's first supplementary bidder's statement dated 2 July 2014. The Company issued its Target's Statement on 18 July 2014 wherein the directors unanimously recommended that shareholders reject the Offer. Ochre announced a revised offer on both 18 and 19 August 2014. The Company issued its First Supplementary Target's Statement on 10 September 2014, with the Directors recommending the Revised Offer be rejected. The Revised Offer expired on 7 November 2014 and was not extended.

During the takeover bid, the Company incurred substantial legal and other professional costs as well as on-going operating costs. One of the adverse effects of the takeover bid was to prevent the Company proceeding with its then proposed underwritten rights issues (for which, in April 2014 and again in May 2014, a Prospectus was issued and on both occasions it was required to be withdrawn). As a result, the Company was only able to pay these substantial costs from the proceeds of sale of non-core asset and was also unable to finalise the completion and lodgement of its 30 June 2014 half yearly financial statements and subsequent half yearly and annual statutory financial statements with ASX Limited (ASX). As a consequence the company's securities were suspended from trading by ASX on 15 September 2014. As of the date of this report all material external debts accumulated since mid-2014 have since been repaid, principally from the sale of non-core assets which raised approximately \$2,000,000 as disclosed in Note 8.

The Company has made a loss during the half year of \$344,807 (2016 Half Year: Loss \$329,611) with cash outflows from operations of \$168,702 (2016: \$337,636), current liabilities exceeded current assets by \$912,853 at 30 June 2017 (current liabilities exceeded current assets by \$707,444 at 31 December 2016) and the Company has a net asset deficiency of \$802,533 at 30 June 2017 (at 31 December 2016: \$591,384). The cash balance at 6 September 2017 was \$178,247. At the date of this report, the net asset deficiency primarily comprises amounts payable to related parties.

The Company's financial statements have been prepared on a going concern basis on the grounds that, in the opinion of the Directors, the Company will be in a position to continue to meet its budgeted operating costs and exploration expenditures (which have been significantly reduced) for the twelve

month period from the date of this report from one or a combination of further anticipated capital raisings, potential gold mining income and sale of assets. Related parties and directors have also agreed not to recall their loans to the detriment of the Company.

The Company intends to undertake a placement of new securities to raise approximately \$500,000 following its Annual General Meeting planned to be held in October 2017, and a pro rata Entitlement Issue to raise approximately \$1,000,000 early in 2018 to further fund exploration and mining activities, should the Company be successful in obtaining approval from the Department of Mining and Petroleum (DMP) for the Company's updated mining proposals. Before suspension from the ASX in 2014, the Company had been successful in capital raisings during prior periods and has demonstrated an ongoing ability to raise additional funds through share placements, rights issues, borrowings and the sale of assets.

Should the Company not be successful in its relisting on the ASX, and/or raising additional funds through future capital raisings or its gold mining venture, it may be necessary to sell some of its assets, farm-out exploration projects, further reduce or defer exploration expenditure and/or reduce operating overheads. Although the directors are confident that they will be successful in one or more of these measures, if they are not, there is a material uncertainty which casts significant doubt as to whether the Company will be able to continue as a going concern and therefore realise its assets and extinguish its liabilities in the normal course of business at the amounts stated in the financial report.

6. Financial risk management

The Company's financial risk management objectives and policies are consistent with that disclosed in the annual financial report as at and for the year ended 31 December 2016.

7. Segment reporting

For management purposes, the company is organised into one operating segment, which involves the exploration, production and development of Nickel, Gold and Iron Ore in Australia. All of the company's activities are interrelated, and discrete financial information is reported to the Managing Director (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the entity as one segment. The financial results from this segment are equivalent to the financial statements of the company as a whole. The accounting policies applied for internal reporting purposes are consistent with those applied in preparation of these financial statements.

8. Other income

	Half Year 30 June 2017 \$	Half Year 30 June 2016 \$
Cancellation fee – Royalty (i)	-	-

(i) On 22 October 2015, the Company entered into an agreement to terminate Atlas' obligation to make a \$1.13/tonne royalty payment to Gondwana on the first 30M tonnes produced from Atlas' Corunna Downs Iron Project (Termination Agreement). The consideration was \$500,000 payable in October 2015, \$500,000 payable by April 2016 and \$1,000,000 in Atlas shares by 1 August 2016. The proceeds in cash and shares have since been duly received.

The profit on the transaction was brought to account at the date of the agreement in the 2015 financial year. The profit on sale of the shares was brought to account in the 2016 financial year.

A further \$250,000 (which has not been brought to account as it is a contingent asset) is receivable within 30 days of first iron ore exports from Corunna Downs.

The Company has since received the proceeds in cash and Atlas shares. The Atlas shares were received in August 2016 and were sold for a profit (net of selling costs) of \$38,073.

(ii) Under the abovementioned agreement with Atlas, Gondwana retained its \$1.13/tonne royalty on tonnes beyond the first 30M of production at Corunna Downs and a royalty of 1% of gross revenue from iron ore and other minerals mined and sold from Panorama (Remaining Royalty Interests).

On 11 November 2016, the Company announced an agreement to sell Gondwana's Remaining Royalty Interests to Ochre.

The consideration payable to Gondwana by Ochre under the agreement for the sale of the Remaining Royalty Interests comprises:

- the buy back and cancellation of all shares held by OGH and its associated company, Joffrey Pty Limited, in Gondwana (OGH Shares); and

GONDWANA RESOURCES LIMITED
HALF YEAR REPORT

- cash of \$100,000.

The agreement with Ochre is subject to receipt of the deposit and the consent of Atlas, both of which have been received, and the approval of Gondwana pursuant to the requirements for a selective share buy-back under Division 2 of Part 2J.1 of the Corporations Act and the requirements for the disposal of a substantial asset to a substantial holder under Listing Rule 10.1.

Shareholder approval will be sought at the Company's forthcoming annual general meeting.

	30 June 2017 \$	31 December 2016 \$
9. Loan receivable		
Loan receivable	646,000	646,000
Less: provision for diminution	(646,000)	(646,000)
	-	-

The loan receivable is an unsecured converting loan to Amazon Resources Limited (ARL) with a limit of \$750,000, of which \$646,000 had been drawn down at 30 June 2017 (December 2016: \$646,000). The loan is convertible at the election of the Company into shares in ARL at 10 cents per share or, if lower, the issue price of any new ARL shares in an IPO or otherwise. Under a letter agreement dated 7 January 2015, the termination date for the loan has been extended to 31 December 2018. No interest or fees are payable unless the loan is not repaid or converted by the termination date.

The Board believes it is appropriate to make full provision against the recoverability of the loan at this time given the current financial position of ARL. However, the Board will use its best endeavours to recover the loan from ARL, if not converted.

10. Share capital

(a) Shares

Issued and Paid-up Share Capital (listed)

29,326,667 (December 2016 25,508,440) ordinary fully paid shares

33,211,792 33,078,154

Movements in ordinary shares (listed):

Date	Details	Number of Shares	Issue Price	\$
1 January 2016	Opening Balance	25,508,440		33,078,154
31 December 2016	Closing balance	25,508,440		33,078,154
1 January 2016	Opening Balance	25,508,440		33,078,154
12 June 2017	Share placement	3,818,227	\$0.035	133,638
30 June 2017	Closing balance	29,326,667		33,211,792

Movements in ordinary shares (unlisted):

1 January 17	Balance	25,000	\$1.00	25,000
		275,000	\$0.10	27,500
		300,000		52,500
30 June 17	Balance	25,000	\$1.00	25,000
		275,000	\$0.10	27,500
		300,000		52,500

(b) Options

Unissued ordinary shares of the Company under option at 30 June 2017 are:

Issue Date	Expiry Date	Exercise Price	Options on Issue	
			30 June 2017	31 December 2016
31/07/2015	30 June 2017	\$0.10	-	1,100,000
			-	1,100,000

11. Related parties

Other than noted below, existing arrangements with related parties continue in place. For details of these existing arrangements, refer to the 31 December 2016 annual financial report.

12. Events subsequent to reporting date

As detailed in the Directors' Report, the Company entered into an agreement with Bellatrix Pty Ltd, an entity controlled by Warren Beckwith, for a new unsecured loan of \$300,000 in January 2017. \$25,000 was drawn down on 30 June 2017 and \$275,000 was drawn down on 11 July 2017.

Other than disclosed above, no events, matters or circumstances have arisen since the end of the half-year which, in the opinion of the directors, are likely to significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

13. Commitments

Exploration Expenditure Commitments

The Company has certain obligations to perform minimum exploration work on tenements held. These obligations may vary over time, depending on the Company's exploration program and priorities, and are also subject to variations by negotiation, joint venturing or relinquishing some of the tenements.

At balance date, total exploration expenditure commitments of the Company which have not been provided for in the financial statements are estimated at \$345,800 (December 2016: \$380,800) for the next 12 months.

DIRECTORS' DECLARATION

In the opinion of the directors of Gondwana Resources Limited:

1. The financial statements and notes set out on pages 15 to 22 are in accordance with the Corporations Act 2001, including:
 - (a) giving a true and fair view of the financial position of the Company as at 30 June 2017 and of its performance, for the half year ended on that date; and
 - (b) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
2. for the reasons set out in Note 5 there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Perth this 12th day of September 2017 and signed in accordance with a resolution of the directors:



Steven Pynt
Director

Level 15, Exchange Tower,
2 The Esplanade, Perth, WA 6000
PO Box 5785, St Georges Terrace,
WA 6831

T +61 (0)8 9225 5355

F +61 (0)8 9225 6181

www.moorestephens.com.au

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
GONDWANA RESOURCES LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Gondwana Resources Limited (the Company) which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Company.

Director's Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Act 2001* and for such controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standards on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 30 June 2017 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting, the *Corporation Regulations 2001*. As the auditor of Gondwana Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
GONDWANA RESOURCES LIMITED**

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Gondwana Resources Limited is not in accordance with the Corporations Act 2001 including:

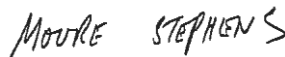
- (a) giving a true and fair view of the company's financial position as at 30 June 2017 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material Uncertainty Regarding Going Concern

Without modifying our conclusion, we draw attention to note 5 of the financial statements which indicates that for the half year ended 30 June 2017, the Company's current liabilities exceeded its current assets by \$912,853 and had a net asset deficiency of \$802,553 at that date. The Company's ability to continue as a going concern for at least the next 12 months is dependent upon one or a combination of its successful relisting on the ASX Limited, further anticipated capital raisings, potential gold mining income and sale of assets. This condition, along with other matters set forth in Note 5, indicate the existence of a material uncertainty which may cast significant doubt regarding the ability of the Company to continue as a going concern and therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.



Suan-Lee Tan
Partner



Moore Stephens
Chartered Accountants

Signed at Perth, Western Australia this 12th day of September 2017.