Gondwana RESOURCES LIMITED

ABN 72 008 915 311

ACTIVITIES REPORT - DECEMBER QUARTER 2014

PARKER RANGE PROJECT

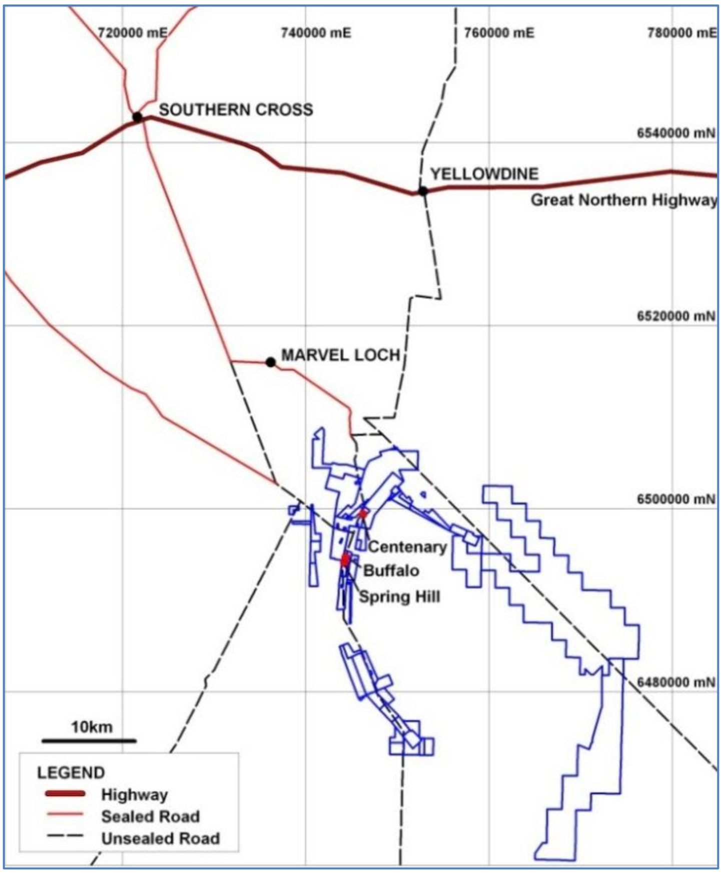

Figure 1: Location of the Parker Range Project

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 km^2 prospective for gold and nickel and contains numerous historic gold mines.

The Southern Cross area is a well-recognised 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 to explore nearby historic gold prospects with the aim of increasing total resources (refer to Appendix 1).

In mid-2010, Gondwana was successful in discovering 40,300oz of gold 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 91,450 oz Au Mineral Resource (refer to Appendix 1).

Gold Mining Project

The Company has been conducting mining studies (PFS) 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 have generated pit designs, life-of-mine schedules, cash flow projections and JORC Ore Reserve estimates (Appendix 1).

PO Box 1819, Applecross, Western Australia 6953
Registered Office: 230 Rokeby Road, Subiaco, Western Australia 6008
Telephone:+61 8 9364 7414 Facsimile: +61 8 9346 9101
Enquiries: info@gondwanaresources.com Web: www.gondwanaresources.com

Discussions with experienced miners who specialize in developing and mining small deposits in the Western Australian goldfields reached an advanced stage during the quarter. These parties have expressed interest in a joint venture or similar commercial arrangement with a view to an early start to production, at least from the oxide and transitional ore zones.

In Q4 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 quoted costs obtained from independent mining contractors, cartage contractors and suppliers. CMC's report 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 the following opportunities to improve or provide upside for the project exist:

- With further drilling, the Inferred Resources may be converted to Indicated category and add to the life and/or production rate of the project. The ore shoots do not appear to be closed at depth or down plunge.
- Further exploration of nearby tenements may add to the inventory.
- Although the resource grades are not generally supportive of underground mining, the historical mining at Centenary recovered average grades of 16 g/t which may suggest a high grade core.
- The Spring Hill deposit has not been reviewed as part of current studies, but may be included in the new studies if the gold price improves sufficiently. This deposit could be used to add to project duration or to increase throughput to improve operating efficiencies of the plant.

Note on Mineral Resource Estimate

Details of the estimate and the parameters were summarised in the Company's ASX release entitled "Activities Report for June Quarter 2012".

The information contained in this Mineral Resource summary replicates information contained in the Company's Activities Report for June Quarter 2012.

The Competent Person is not aware of any new information or data that materially affects the information included in the Activities Report for June Quarter 2012, in the case of mineral resources that all the material assumptions and technical parameters underpinning the estimates in the Activities Report for June Quarter 2012 continue to apply and have not materially changed. The form and context in which the findings of Activities Report for June Quarter 2012 are presented have not been materially modified.

Competent Person Statement

The information in the Independent Geological Report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves 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.

Gold exploration prospects

Exploration tenements, including the Toomey Hills Group and part of the Northern, Dulcie and Eastern Groups, are in the process of being disposed of to reduce exploration commitments.

Remaining exploration interests at Parker Range include the following.

Dulcie Group

The Dulcie tenements contain shallow gold mineralisation at Langley Central under an old laterite gold mine. Drilling has intersected up to 11g/t Au, with mineralisation open. The Langley central gold project operated in the mid-1980s and mining ceased in 1988. Thames Mining mined the laterite from 2m to 5m depth, and their historic reports outline further mineralisation. The mined area was a surface expression of quartz veined shears within a BIF or iron rich amphibolite unit1.

Gondwana has identified significant undrilled potential in this tenement group along the magnetic BIF unit, which also hosts the gold at Dulcie and Cheritons gold mines. A drill program is planned to test the BIF for gold mineralisation.

Eastern Group (East Parker Dome)

The Eastern Group comprises a tenement east of the Parker Granite Dome containing gold mineralisation at the Milky Way East prospect in an area that may also hold untested copper potential. The Milky Way East mineralisation was discovered in the late 1980’s and occurs within a gabbro adjacent to the sheared boundary between a gabbro and the central sediment package. The area has been recognised on broad 400m line spaced drill results and mineralisation extends over 800 metres).

The gold mineralisation is open towards the south where it is covered by thick deposits (20m) of transported red clay, sand and alluvial grits which mask bedrock gold mineralisation in soil. Drill hole MNP013 in the southernmost drill line intersected 5m @ 1.235 g/t Au from 65m. Drill hole MN003 intersected 3m @ 1.2 g/t Au from 57m and is located on the next drill line approximately 400m north of MNP0132.

A shear zone contact with the gabbro showing gold mineralisation is thought also prospective for copper as past assaying did not include analysis for copper.

Forrestania

The Forrestania 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.

Open file report A24752 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/t3.

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 PROJECTS

Royalty - Corunna Downs and associated tenements

Atlas Iron Limited (Atlas, ASX:AGO) acquired these tenements from Gondwana in April 2013.

The Company has retained a $1.13/tonne royalty on the production and sale of iron ore and a 1.5%

1 WAMEX report A37134: Langley Central - Parker Range Progress Report 1989; Authors P Mather/M Kellow for Gwalia Minerals NL and Kia Ora Gold Corp Ltd

2 WAMEX report A26572: Milky Way East – Annual Report E77/85 1988; Authors J A Chellew/T Standish for Aztec Mining Company Ltd

3 WAMEX report A24752: Blue Turtle – Annual report on Mt Holland E77/23 1988; Author Metals Exploration Limited

royalty on the gross proceeds of the sale of other minerals which, in the light of Atlas' recent announcements (dated 9 May 2014 and 17 July 2014) in respect of a Mineral Resource and significant exploration targets at Corunna Downs, is considered a valuable asset by Gondwana's directors. The Company notes that Atlas stated in its announcement of 17 July 2014 that: "*Corunna Downs is Atlas' best greenfields exploration discovery both in terms of the potential scale of the resource and its blending capacity. This area is rapidly taking shape as a key growth option for Atlas and we are looking forward to showing what the entire project area can deliver*" (refer to the Atlas announcements on the ASX website (ASX:AGO).

Atlas has recently postponed further exploration at Corunna Downs as a result of the steep fall in the iron ore price and consequent cash flow constraints.

Gobbo's Copper-Molybdenum Prospect (E45/3326)

This tenement contains the Gobbo's copper/molybdenum prospect and the Cyclops nickel prospect.

On 4 December 2013, the Company announced it had entered into an agreement with Platypus Minerals Ltd ("Platypus", ASX:PLP) to farm out tenement E45/3326 on the following terms: -

a. Platypus has the option to sole fund $500,000 on exploration within three years to earn a 51% interest in the tenement with Gondwana retaining 39% and Adelaide Prospeting Pt Ltd (APPL) 10%.
b. Platypus would then have the option to sole fund a further $500,000 on exploration within a further three years to earn an additional 24% interest for a total 75% interest in the Tenement. At this stage Gondwana would retain 15% and APPL would retain 10%.
c. Subsequent expenditure would be on a pro-rata joint venture basis by Platypus and Gondwana, subject to dilution by industry standard formula. APPL would remain free carried to completion of a feasibility study.
d. 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.
e. At any time after Platypus 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.

In its ASX release on 13 January 2015, Platypus announced significant reconnaissance drilling intercepts of copper, molybdenum and tungsten and stated the following highlights:

- *Outstanding results for initial drilling program*
- *Porphyry-related mineralisation intersected in all three holes*
- *Extensive Cu-Mo-W mineralisation extending over 1km; open*
- *Results include 29m @ 0.22%Cu & 0.03%W and 32m @ 0.07%Mo*
- *Mineralisation from surface in each hole*
- *Drilling only tested the edges of target anomalies; further drilling planned*

"Platypus is very pleased and excited that its initial drilling program has confirmed Gobbos as one of the most outstanding unexplored prospects in Western Australia".

Panorama prospect

In July 2014, the Company completed the sale to Atlas Operations Pty Ltd, a subsidiary of Atlas Iron Limited (ASX:AGO), of the whole of its 90% interest in exploration licence E45/4110.

The Company has retained a royalty of 1% of gross revenue from iron ore, gold and other minerals produced from E45/4110.

Other Pilbara tenements

The Company has retained a 90% interest in exploration licences and applications, ELA45/3956 and E46/1026, which are considered prospective for gold, copper and other minerals.

GASCOYNE PROJECTS

Uranium

Gondwana holds a 100% interest in exploration licences in the Gascoyne/Ashburton region of Western Australia which have been selected for uranium exploration using regional airborne radiometric surveys and the Mindex database of uranium occurrences.

Red Rock Bore (E08/1968, 2049)

The most prospective of the targets in the group is Red Rock Bore, where airborne radiometric anomalies are associated with a uraniferous granite at/adjacent to a Lower Proterozoic unconformity. Red Rock Bore exploration is aimed at evaluating a high-tonnage, low-grade (nominally 0.03-0.05% U or 300-500ppm) granite-hosted uranium deposit.

Rock chip and channel sampling completed in 2011 indicates radiometric anomalies are associated with supergene enrichment in weathered exfoliated granite dated at 1681±10Ma. The granite straddles the Lower-Middle Proterozoic unconformity, a highly prospective feature in uranium geology.

A revised Radiation Management Plan (RMP) was completed shortly after the end of the quarter and this will be submitted to the Department of Mines and Petroleum. Once approved, the Company will undertake the next phase of exploration at Red Rock Bore to test a number of surface radiometric uranium and geological anomalies.

Rare Earths

Mick Well and Ted Well (E09/1614-15)

Application was originally made for the Mick Well tenement for uranium exploration in 2009. In 2012, a radiometric and magnetic survey was flown across the area. This survey has since been interpreted along with earlier geochemical prospecting results. Reconnaissance rock chip samples were taken prior to the airborne survey and focused on delineating near surface uranium mineralisation. A single rock chip contained a number of rare earths from a small, covered pegmatite near Ted Well, justifying additional research which has now been carried out specifically for Rare Earth Elements (REE).

Many of the rare earth deposits around the world are located in Pegmatite or Alaskite rocks – a felsic granite variant containing a variety of minerals such as Xenotime and Monzonite (thorium group elements).

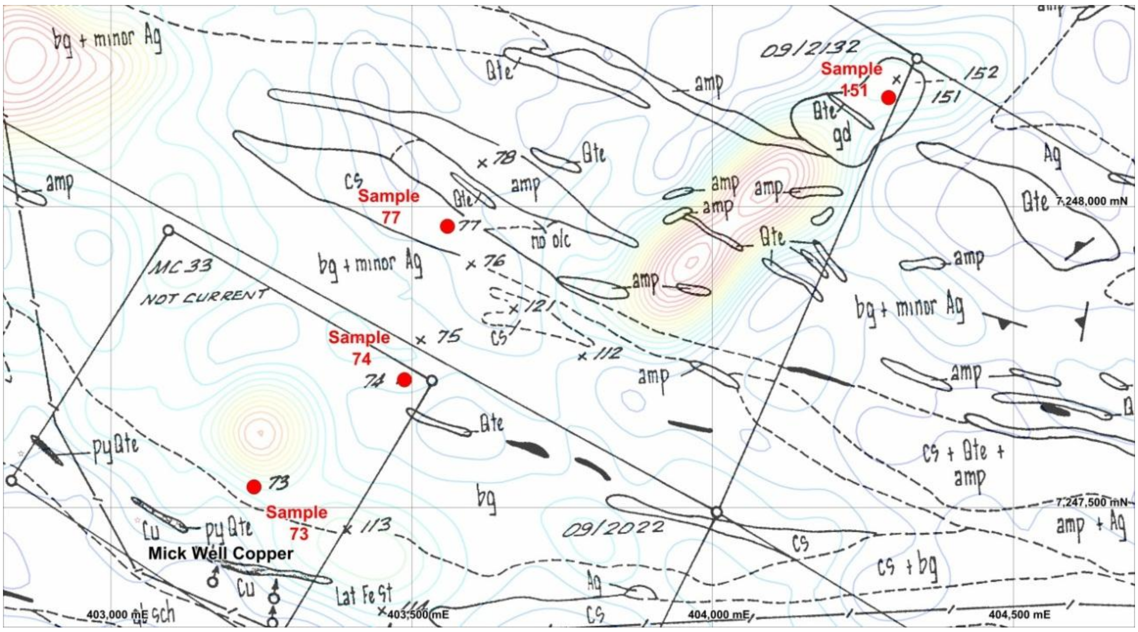

Figure 2: Thorium contours on 1977 Esso geology map shows samples 73-74-77-151

In 1977 Esso mapped a radiometric hot Granodiorite with Alaskites across the Mick Well area. Microscope work on a rock chip sample number 151 was classified as an Allanite Granite. This rock contains an estimated 20% metamict allanite by visual estimation. REE mineral assays have not been taken from this granite because rare earths were not commonly known in pegmatite variants until the 1980's after the Greenbushes pegmatites were discovered. Allanite minerals contain up to 20% rare earth elements and are one of the most valuable sources of REE. Sample 151 has been classified as a biotite metamict-allanite quartz microcline rock or an Allanite Granite. This rock contains a visual estimated 20% metamict allanite. Monazite and possibly xenotime are in 3% of the thin section area[4]. A 300m long, 120ppm Thorium anomaly is identified 1,400m to the north east of the Mick Well copper occurrence, and striking across the geology in a north east direction. This thorium anomaly is located immediately south west of Esso sample 151

Thorium Radiometric Targets

The 100m line spaced airborne radiometric / magnetic survey delineated a number of strong thorium dyke-like responses. Some of these dykes are strong on all radiometric channels and some are more subtle, related to thorium only responses. The site of the covered Ted Well pegmatite dyke previously sampled in the creek bed will be tracked on the ground. A field exploration programme is planned once a budget is available.

COMPETENT PERSON STATEMENT

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.

See also the Competent Person Statement on Buffalo, Spring Hill and Centenary Mineral Resource Estimates on Page 2 of this Report.

CORPORATE

The Company has advanced plans for a capital raising to be undertaken early in the current quarter to help fund ongoing operations and the Company's current liabilities. Details will be announced shortly. Once this is finalised and the Company's Half Year Report can be finalised, it is expected that trading in the Company's securities may be resumed.

For further information please contact the Company on (08) 9364 7414, email info@gondwanaresources.com or visit the website at www.gondwanaresources.com.

Warren Beckwith
Director
30 January 2015

4 WAMEX report A7420: Gascoyne Rare Earths - Annual Report for Mombo Creek 1977; Author S H Robinson for Esso Exploration and Production Australia Inc

APPENDIX 1

ORE RESERVES AND MINERAL RESOURCES

1. Buffalo, Spring Hill and Centenary JORC Mineral Resource Estimate (>= 1.0 g/t)

Resource Category	Tonnes	Grade (g/t)	Cut ounces* (Au)
Buffalo			
Indicated	292,200	2.4	22,200
Inferred	62,800	1.6	3,200
Buffalo total	355,000	2.2	25,400
Spring Hill			
Indicated	226,400	2.0	14,250
Inferred	180,300	2.0	11,500
Spring Hill total	406,700	2.0	25,750
Centenary			
Indicated	391,000	2.4	30,400
Inferred	166,000	1.8	9,900
Centenary total	557,000	2.2	40,300
Total Project			
Indicated	909,600	2.3	66,850
Inferred	409,100	1.8	24,600
Project grand total	**1,318,700**	**2.1**	**91,450**

*Resource reported at a 1.00 g/t Au lower cut and variable top cuts
1kg screen fire assay results were used for estimation of high grade zones where possible
Assay results are primarily from RC drilling with diamond holes as required
Specific Gravity density values were derived from the Centenary and Buffalo diamond drill core measurements

2. Buffalo, Spring Hill and Centenary JORC Ore Reserves

Notes accompanying JORC Ore Reserve Estimate

Minecomp Pty Ltd was engaged by Gondwana Resources Limited to undertake an *estimation* of open pit gold Reserves at the Centenary, Buffalo and Spring Hill resources, in accordance with The 2004 Australasian Code for Reporting of Mineral Resources and Ore Reserves (JORC Code).

The Ore Reserve is that part of the Mineral Resource which can be economically *mined* by open pit mining methods. Dilution of the Mineral Resource and an allowance for ore loss was included in the Ore Reserve estimate. All of the Indicated Mineral Resource has been classified as Probable Reserves after consideration of mining, metallurgical, social, environmental and financial aspects of the Parker Range Project.

The open pit Probable Reserve for the Parker Range deposits is based on applying economic mining parameters that reflect current operating costs, gold price and recovery parameters to the current *resource* estimates. Operational costs are derived from contractor costs, calculated operational costs and peer equivalent costs.

The open cut pit wall angles used in the Centenary and Spring Hill deposit pit designs are extracted directly from *the* Buffalo deposit geotechnical and density information. The Buffalo geotechnical drilling has been utilised for all three deposits because the geology along strike between the deposits is identical.

The total project life is estimated to be 18 months.

Centenary Probable Reserve

The open pit Probable Reserve for the Centenary deposit (*see table below*) is based upon applying economic mining parameters that reflect current operating costs, gold price and recovery parameters to the September 2011 resource estimate of the deposit. Operational costs are derived from contractor costs, calculated operation costs and peer equivalent costs.

Centenary	Reserve Classification	Mining Reserves	Mined Ounces
	Probable	339,000t @ 2.3g/t	25,500

The Centenary deposit is 100% owned by Gondwana Resources Limited. The proposed Centenary open pit design exploits the BIF hosted mineralisation over a strike length of 250m to a depth of approximately 85 metres. The total volume mined is 1.7M cubic metres of ore and waste with the stripping ratio estimated to be 13.3:1. Operating cash costs are estimated to be A$1,093/oz[5]. It is proposed to mine the Centenary pit over a period of 8 months.

Buffalo Probable Reserve

The open pit Probable Reserve for the Buffalo deposit (*see table below*) is based upon applying economic mining parameters that reflect current operating costs, gold price and recovery parameters to the February 2010 resource estimate of the deposit. Operational costs are derived from contractor costs, calculated operation costs and peer equivalent costs.

Buffalo	Reserve Classification	Mining Reserves	Mined Ounces
	Probable	238,000t @ 2.2g/t	17,000

The Buffalo deposit is 70% owned by Gondwana Resources Limited (30% Kings Minerals – ASX:KMN). The proposed Buffalo open pit design exploits the BIF hosted deposit over a strike length of 250m to a depth of approximately 80 metres. The total volume mined is 1.1M cubic metres of ore and waste with the stripping ratio estimated at 12.2:1. Operating cash costs are estimated at A$1,018/oz. It is proposed to mine the Buffalo pit over a period of 7 months, initially in conjunction with the Spring Hill pit. (see footnote 2).

Spring Hill Probable Reserve

The open pit Probable Reserve for the Spring Hill deposit (*see table below*) is based upon applying economic mining parameters that reflect current operating costs, gold price and recovery parameters to the January 2010 resource estimate of the deposit. Operational costs are derived from contractor costs, calculated operation costs and peer equivalent costs.

Spring Hill	Reserve Classification	Mining Reserves	Mined Ounces
	Probable	201,000t @ 1.9g/t	12,100

The Spring Hill deposit is 70% owned by Gondwana Resources Limited (30% Kings Minerals – ASX:KMN). The proposed Spring Hill open pit design exploits the BIF hosted deposit over a strike length of 250m to a depth of approximately 60 metres. The total volume mined is 0.9M cubic metres of ore and waste with the stripping ratio estimated to be 11.6:1. Operating cash costs are estimated to be A$1,194/oz (see footnote 2). It is proposed to mine the Spring Hill pit over a period of 7 months, initially in conjunction with the Buffalo pit.

5 Note that cost and other estimates have been made by MineComp for the purpose of Reserve Estimation only and are not necessarily indicative of actual mining costs in 2015.

APPENDIX 2

TENEMENT LISTING

List of tenements, their location, and relevant third party beneficial interests held at the end of the quarter in accordance with listing rule 5.3.3.

Tenement	Application	Granted	Status	Third Party Interest
Gascoyne Uranium Projects, WA				
Red Rock Bore Project				
E08/1968	19/02/2009	20/01/2011	Granted	
E08/2049	20/08/2009	20/01/2011	Granted	
E08/2410	12/07/2012		Pending	
Mick Well Project				
E09/1614	19/02/2009	11/11/2011	Granted	
Ted Well Project				
E09/1615	19/02/2009	11/11/2011	Granted	
Weaner Bore Project				
E09/1969	19/02/2009	3/05/2011	Granted	
East Pilbara Projects, WA				
Gobbos and Cyclops Projects				
E45/3326	10/10/2008	21/01/2011	Granted	Adelaide Prospecting Pty Ltd 10%* Platypus Minerals Ltd earning a 75% interest pursuant to Farm In Agreement
Comet East & Nullagine Projects				
E45/3956	18/08/2011		Pending	
E46/1026	26/05/2014		Pending	
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	
M77/763-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	
P77/3696	19/01/2007	13/08/2008	Granted	
M77/561	9/07/1992	23/10/1992	Granted	Barclay Holdings 30%*
P77/3692	19/01/2007	13/08/2008	Granted	
P77/3693	19/01/2007	13/08/2008	Granted	
P77/3694	19/01/2007	13/08/2008	Granted	
Northern Group				
M77/52	26/06/1984	27/06/1984	Granted	Cerro Resources NL 30%*
P77/3720	20/01/2007	30/06/2011	Granted	
M77/1018	13/12/2000	6/07/2007	Granted	

Tenement	Application	Granted	Status	Third Party Interest
Parker Range Projects, Southern Cross WA (continued)				
Dulcie Group				
M77/669	29/08/1994	24/01/1995	Granted	
P77/3701-I	19/01/2007	13/08/2008	Granted	Kagara Nickel Rights
P77/3703	19/01/2007	13/08/2008	Granted	Kagara Nickel Rights
P77/3704-I	19/01/2007	13/08/2008	Granted	Kagara Nickel Rights
P77/3705-I	19/0/2007	13/08/2008	Granted	Kagara Nickel Rights
P77/3727	18/01/2007	18/02/2009	Granted	Audax 20%
P77/3728	18/01/2007	18/02/2009	Granted	Audax 20%
P77/3729	18/01/2007	18/02/2009	Granted	Audax 20%
M77/423	20/10/1989	23/12/1992	Granted	
Toomey Hills				
P77/3730	17/01/2007	15/10/2009	Granted	
P77/3731	17/01/2007	15/10/2009	Granted	
P77/3732	16/01/2007	15/10/2009	Granted	
P77/3800	5/02/2007	15/10/2009	Granted	
East Parker Dome Project				
E77/1734	2/12/2009	30/09/2011	Granted	
Forrestania Project				
E77/2143	12/08/2013		Pending	

** Free carried to feasibility study*

TENEMENT CHANGES

Changes to tenement holdings and relevant third party beneficial interests during the quarter in accordance with listing rule 5.3.3: -

Tenement Acquisitions or Disposals

M77/565	Surrendered
M77/669	Surrendered
E77/1362	Expired
E08/1966	Surrendered
E08/1967	Surrendered
E08/2001	Surrendered
E08/2044	Surrendered

Third Party Interests Acquired or Disposed

Nil

Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Gondwana Resources Limited

ABN	Quarter ended ("current quarter")
72 008 915 311	31 December 2014

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (12 months) $A'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation	(92)	(483)
	(b) development		
	(c) production		
	(d) administration	42	(387)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	1	4
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (R & D Rebate)	-	1
	Net Operating Cash Flows	(49)	(865)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets	-	(2)
1.9	Proceeds from sale of: (a) prospects	-	200
	(b) equity investments		
	(c) other fixed assets		
1.10	Loans to other entities	-	(10)
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
	Net investing cash flows	-	188
1.13	Total operating and investing cash flows (carried forward)	(49)	(677)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(49)	(677)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	473
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(55)	(5)
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	(55)	468
	Net increase (decrease) in cash held	6	(209)
1.20	Cash at beginning of quarter/year to date	8	223
1.21	Exchange rate adjustments to item 1.20		
1.22	**Cash at end of quarter**	14	14

A pro rata entitlement issue to shareholders is currently being arranged to raise funds to meet ongoing operations and commitments in the current quarter.

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2*	13
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

*Includes amounts previously deferred

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

None

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

None

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	50
4.2	Development	
4.3	Production	
4.4	Administration	50
	Total	100

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	14	8
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	14	8

Changes in interests in mining tenements and petroleum tenements

		Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	M77/565 M77/669 E77/1362 E08/1966 E08/1967 E08/2001 E08/2044	Surrendered Surrendered Expired Surrendered Surrendered Surrendered Surrendered	100% 100% 100% 100% 100% 100% 100%	Nil Nil Nil Nil Nil Nil Nil
6.2	Interests in mining tenements and petroleum tenements acquired or increased	Nil			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	24,433,440	24,408,440		Fully paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	- -	- -		
7.5	**+Convertible debt securities** *(description)*	nil			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*	4,100,000	-	Exercise price 10 ¢	Expiry date 30/6/15
7.8	Issued during quarter	-	-		
7.9	Exercised during quarter	-	-		
7.10	Expired during quarter	-	-		
7.11	**Debentures** *(totals only)*	nil	-		
7.12	**Unsecured notes** *(totals only)*	nil	-		

+ See chapter 19 for defined terms.

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).

2 This statement does /does not* *(delete one)* give a true and fair view of the matters disclosed.

Sign here: .... (Director) Date: .30 January 2015

Print name: Warren Beckwith

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==

+ See chapter 19 for defined terms.