

MEDIA RELEASE

23 September 2010

GOLD EXPLORATION UPDATE**Highlights:**

- Detailed quartz vein rock chip sampling at Mopoke pit returned grades up to 72.7 g/t Au
- Resource drilling program completed south of Spring Hill gold deposit, assays awaited
- Exploration drilling program completed south of Spring Hill to follow-up 2008 gold intersects, with assays awaited
- In-fill drilling completed within the Centenary valley, with assays awaited
- Exploration drilling completed into a new V-TEM anomaly 100m north of Centenary, with assays awaited

Spring Hill Gold Deposit

(Gondwana 70%)

In early 2010, the company was pleased to announce a JORC Resource estimate for the Spring Hill deposit, which is located 700m south of the Buffalo deposit at Parker Range, WA. This resource estimate was based on 2009 RC drilling results, and totalled **407,000t @ 1.97 g/t for 25,750 oz contained Au.**

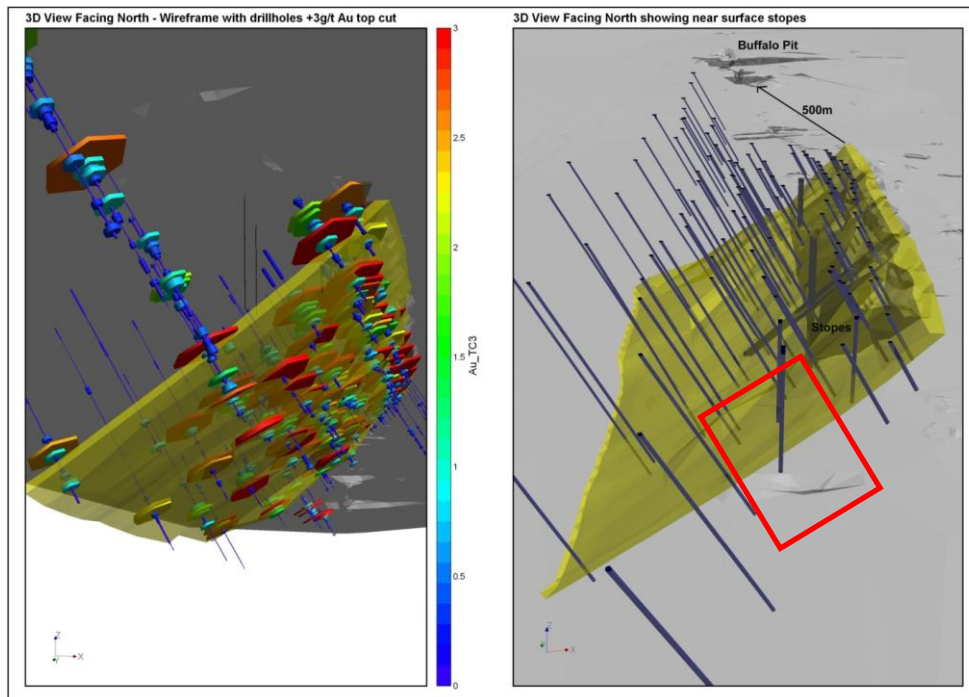


Figure 1: Spring Hill wireframe & drill holes to the south of the resource model showing area drill tested in the September 2010 program

Current RC Drilling

As the Spring Hill resource is open to the south, a 13 hole, 442m RC drilling program was designed to test for the possible extension of mineralisation to the south within M77/562. This program has just been completed. The RC drilling intersected oxidised BIF at predicted depths, with the samples submitted to the laboratory and assays expected within 2-3 weeks.

If the width and grade of the new RC intersects are significant, the Spring Hill deposit resource model wireframe will be extended further to the south to incorporate the new drilling assay data, with a revised resource estimate to be provided in the next quarter.

Three exploration RC holes were also drilled within M77/562 to the south of the Spring Hill deposit area, with assays pending. One of these holes was drilled up-dip from the 2008 drill hole SHRC08015, which contained 5m @ 1.57 g/t from 36m. The other two holes were drilled to test a weak aeromagnetic anomaly along the BIF trend, and both intersected the BIF at various intervals.

Centenary Prospect

(Gondwana 100%)

Centenary

The Centenary prospect is located on the Parker Range BIF sequence. The prospect area contains three westerly dipping mineralised zones, the **Western BIFs**, the **Centenary Shear**, and the **Eastern BIFs**. Mineralisation along both the Eastern and Western BIFs is in the form of quartz filled shears along the contacts and sulphide replacement within the BIFs. The Centenary Shear mineralisation occurs as lenticular quartz veins along a shear zone within mafic rocks between the two BIFs.

Gondwana's previous drilling of the **Western BIFs** has identified high-grade gold mineralisation in narrow quartz veins on the upper contact, including 3m @ 167.26g/t Au, 4m @ 34.28g/t Au, 1m @ 60.61 g/t Au (32.43 g/t by screen fire), 1m @ 45.01 g/t Au (34.19 g/t by screen fire) and 1m @ 13.25 g/t Au.

Early in 2010, Gondwana flew a V-TEM airborne electromagnetic survey over the district and located a deep conductive anomaly north of the drilling on the Western BIF. This conductor is due to the presence of sulphide minerals in the Eastern BIF at approximately 150m depth.

150m to the east, significant drill intersects in two phases of RC drilling in 2009 and 2010 delineated a new area of mineralisation called the **Eastern BIFs**. The Phase 1 drill program intersected gold mineralisation in quartz veins on the contact of the BIF at shallow depth, including 3m @ 7.57 g/t Au and 7m @ 13.91 g/t including 2m @ 36.8 g/t Au (hole 09CTRC010).

The Phase 2 drilling program was also successful, with mineralisation intersected in 19 of 24 drill holes. The quartz vein carrying the high grade gold in hole 09CTRC010 was not intersected along strike but remains open down plunge. The program also confirmed mineralisation associated with the oxidised BIF, with drilling south of 09CTRC010 increasing in grade at depth, indicating possible near-surface depletion.

Current RC Drilling

An RC drilling program of 6 holes and 441m has just been completed at the Centenary prospect and assays are expected within 2-3 weeks.

- Four holes were drilled in to the Centenary Shear and Eastern BIFs, with underground stopes intersected in 2 of the 4 holes (*see the 4 holes marked "Infill resource drilling" in Figure 2*).
- A 120m deep vertical drill hole drilled on the margin of the deep conductor (*Figure 2*) has intersected two zones of 2m wide sulphide mineralization, corresponding to the base of each of the BIF units. This vertical hole also intersected quartz veins above the western BIF, in a stratigraphic position similar to high grade quartz vein lodes in the resource drilling area, 100m to the south west.
- A 100m deep angled exploration hole was drilled 50m north of the vertical hole (*Figure 2*).

Both the vertical exploration hole and the 100m deep angled exploration hole 50m to the north successfully intersected the targeted Western and Eastern BIF horizons at depth.

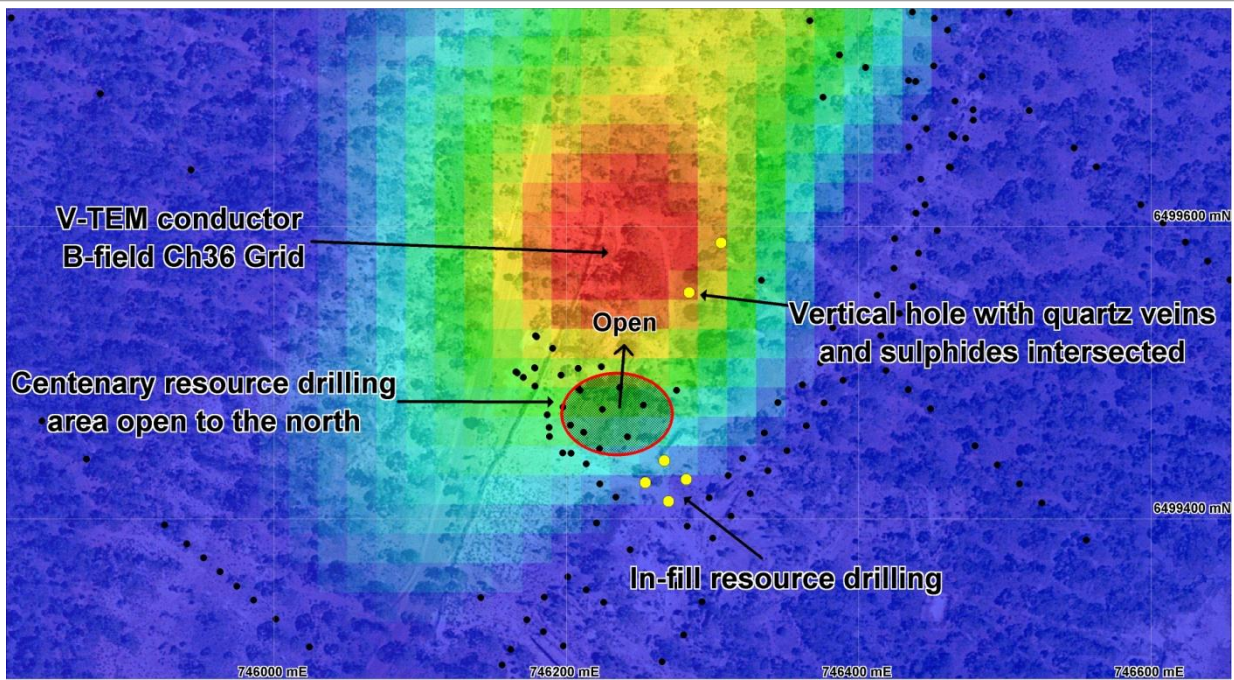


Figure 2: 2010 Drill collars (yellow dots) superimposed on deep AEM B-Field Ch36 grid



Figure 3: Drilling of the 120m vertical hole up-dip from AEM target intersecting sulphides

McIntosh Project

(M 77/762 - Gondwana 100%)

Current RC Drilling

Two RC holes for 96m were drilled south of the McIntosh underground mining area with a stope being intersected in the northern hole. While extensive alteration was intersected, the main quartz reef appears to have been mined out. These holes were also designed to test parallel mineralisation at depth. Assays for these holes are currently pending.

Mopoke Exploration

(P77/3696 – Gondwana 100%; M77/561 – Gondwana 70%)

Assay results for rock chip samples

During the June quarter, a field reconnaissance and rock chip sampling program occurred at the Mopoke historic gold workings, 850m south east of the Buffalo gold deposit. Historic reports detail small scale mining of translucent quartz veins, suspected to be quartz lodes infilling along a shear zone.

A large quartz blow, up to 3m wide, in the base of the southernmost pit was sampled and assayed 6.7 g/t from sample 10MPRK001 (previously released). A detailed rock chip sampling program was completed in late August, with assay results being received from the detailed sampling survey.

At the base of the pit, selected 1kg samples of the quartz veins were sent for analysis and returned results including rock chips with grades up to **72.7 g/t Au** (10MPRK015; repeat assay of 82.27g/t), and **9.74 g/t Au** (10MPRK018). These samples are of quartz vein material and provide encouragement to drill test.



Figure 4: The quartz lode is the white / yellow outcrop in the centre of the 6m deep open cut pit

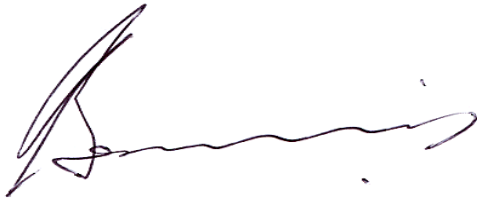
Table 1: Results of quartz vein samples collected from the outcrop shown above

Sample ID*	MGA East	MGA North	Au (ppm)
10MPRK001	744788	6493951	6.70
10MPRK012	744788	6493950	4.02
10MPRK013	744786.5	6493950.5	0.53
10MPRK014	744785	6493951	0.07
10MPRK015	744785.8	6493948.6	72.7
10MPRK016	744784.5	6493949.5	1.38
10MPRK017	744783	6493950.4	0.85
10MPRK018	744782.65	6493948.15	9.74
10MPRK019	744780.8	6493949.3	5.85
10MPRK020	744780	6493947.3	1.03
10MPRK022	744782.5	6493950	0.36

*Omitted samples relate to sampling of alteration and mullock, or samples from surrounding areas. All samples were a nominal 1kg sample and analysed by Genalysis using 50g fire assay. Coarse "Blanks" were submitted as control samples

Contact

For further information, please contact Warren Beckwith or Grant Donnes on phone (08) 9388 9961 or send an email to info@gondwanaresources.com



Warren Beckwith
Director
Gondwana Resources Limited

Competent Person Statement

The technical information in this report that relates to Exploration Results is based on information compiled by Mr. Grant Donnes who is a Member of the Australian Institute of Geoscientists. Mr. Donnes has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Donnes consents to the inclusion in this Report of the matters based on his information in the form and context in which it appears. Mr Donnes is a self employed consultant to the Company.