

# Gondwana RESOURCES LIMITED

ABN 72 008 915 311

Dear Shareholder

## **NON-RENOUCEABLE ENTITLEMENT ISSUE**

On 16 April 2014, Gondwana Resources Limited (ACN 008 915 311) (**Company**) lodged a prospectus (**Prospectus**) with the Australian Securities & Investments Commission (**ASIC**) and the Australian Securities Exchange (**ASX**) in relation to a non-renounceable entitlement issue of one (1) fully paid ordinary share in the Company (**Share**) for every one (1) Share held by eligible Shareholders registered at the Record Date (please refer to timetable below) at an issue price of 3.2 cents per Share to raise up to \$632,110 (based on the number of Shares on issue at the date of the Prospectus) (together with one (1) free attaching option for a Share (**New Option**) for every two (2) Shares subscribed for and issued) (**Offer**).

The Offer is partially underwritten by Bellatrix Pty Ltd (**Underwriter**) to the amount of the last \$316,055 (9,876,720 Shares) of the Offer. The Underwriter is a related party of the Company by virtue of it being a company controlled by Warren Talbot Beckwith who is a Director of the Company. Please refer to the Prospectus for further details of the underwriting. The Underwriter will be paid an underwriting fee of \$7,901.

The Prospectus is also for the offer by the Company of 1,250,000 New Options to Shareholders who participated in the Company's recent placement of 2,500,000 Shares (**Placement Option Offer**). The Placement Option Offer is conditional on Shareholder approval being obtained. Refer to the Prospectus for further details.

The Offer is being made to all Shareholders of the Company at the Record Date whose registered address is in Australia, Singapore or the United Kingdom (**Eligible Shareholders**).

All of the Shares issued under the Prospectus will rank equally with the Shares on issue at the date of the Prospectus. All of the New Options offered under the Prospectus are exercisable at 5 cents each on or before 31 December 2015. The Prospectus contains further information regarding the rights and liabilities attaching to the Shares and the full terms and conditions attaching to the Options. For the purposes of calculating each Eligible Shareholders' entitlement, fractions of entitlements have been rounded up to the nearest whole number of New Shares.

### **Offer to specified countries only**

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares and New Options these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended to shareholders with a registered address which is outside Australia, Singapore or the United Kingdom.

### **Availability of Prospectus**

The Prospectus together with a personalised entitlement and acceptance form will be sent to Eligible Shareholders on the date set out in the timetable below. If you are not an Eligible Shareholder you will not receive a copy of the Prospectus. You may obtain a copy of the electronic Prospectus from the ASX website [www.asx.com.au](http://www.asx.com.au) and on the Company's website <http://www.gondwanaresources.com/>, subject to accessing the electronic Prospectus from within Australia ONLY.

### **Use of Funds**

The funds raised from the Offer are planned to be used for exploration and evaluation of mineral projects in Parker Range, Gascoyne, East Pilbara and elsewhere, corporate and administration costs, repayment of short-term debt, working capital and anticipated expenses of the Offer. Please also refer to Section 5.1 of the Prospectus.

### **Application for quotation**

The Company has applied to ASX for quotation of the Shares to be issued pursuant to the Prospectus. If approval is not obtained from ASX before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by ASIC), the Company will not issue any Shares and New Options and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

## Effect on Capital Structure

The effect of the Offer and the Placement Option Offer on the capital structure of the Company, assuming all Securities offered under the Prospectus are issued, is set out below.

Shares	Number
Shares on issue at date of Prospectus <sup>1</sup>	19,753,440
Shares offered pursuant to the Offer	19,753,440
Total Shares on issue after completion of the Offer	39,506,880

<sup>1</sup> Including 25,000 unquoted Shares issued pursuant to the Gondwana Employee Share Plan.

Options	Number
Options on issue at date of Prospectus	
- Unquoted Options exercisable at \$0.10 on or before 30 June 2014	4,200,000
- Unquoted Options exercisable at \$0.10 on or before 30 June 2015	5,000,000
New Options offered pursuant to the Offer	9,876,720
New Options offered pursuant to the Placement Option Offer	1,250,000
Total Options on issue after completion of the Offer	20,326,720

The capital structure on a fully diluted basis as at the date of the Prospectus is 28,953,440 Shares and on completion of the Offer and the Placement Option Offer (assuming all Securities offered are issued and no Options are exercised prior to the Record Date) would be 59,833,600 Shares.

## Timetable

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

Company announces Offer and lodges Appendix 3B with ASX	15 April 2014
Lodgement of Prospectus with the ASIC and ASX	16 April 2014
Notice sent to Optionholders in respect of the Offer	16 April 2014
Notice sent to Shareholders in respect of the Offer	17 April 2014
Ex date for the Offer	28 April 2014
Record Date for determining Entitlements in respect of the Offer	30 April 2014
Prospectus despatched to Shareholders & Company announces despatch has been completed	2 May 2014
Closing Date of the Offer	23 May 2014
Securities quoted on a deferred settlement basis	26 May 2014
ASX and Underwriter notified of under subscriptions under the Offer	27 May 2014
Annual General Meeting held	28 May 2014
Closing Date of the Placement Option Offer	28 May 2014
Issue Date under the Placement Option Offer	30 May 2014
Underwriter subscribes for Shares under the Underwriting Agreement	30 May 2014
Issue Date under the Offer	30 May 2014

*Capitalised words in this letter have the same meaning prescribed to them in the Prospectus unless otherwise stated.*

## Enquiries

If you have any questions about applying for securities under the Prospectus, please contact Alana Da Silva at the Company on +61 8 9364 7414 or [alana@gondwanaresources.com](mailto:alana@gondwanaresources.com).

Yours faithfully



**Paul Goodsall**  
**Director and Company Secretary**

**17 April 2014**