

ACTIVITIES REPORT FOR THE JUNE QUARTER 2011

HIGHLIGHTS

Parker Range Gold Project, Yilgarn:

- *RC Drilling along strike from the Centenary gold deposit successfully completed*
- *Centenary resource model wireframe currently being updated using the latest drill assays*
- *Metallurgical test work, geotechnical review and Buffalo/Centenary pit design planned for next quarter*

Trigg Hill Rare Earths Project, Pilbara:

- *Reconnaissance rock chip program delineating 3 soil samples with more than 0.1% Total REE*
- *Follow-up detailed soil sampling program of 350 samples completed, with results pending*

Red Rock Bore Uranium Project, Gascoyne:

- *Reconnaissance rock chip program on new airborne target completed, with results pending*

PARKER RANGE - GOLD

Centenary Project, Parker Range, WA

(M77/657 - Gondwana 100%)

In May 2011, the Company completed a 29 hole, 1500m RC drilling program north and south of the Centenary gold deposit which contains 29,400 Oz (Indicated and Inferred Resources) released last quarter.

Table 1: Centenary 2011 JORC compliant Mineral Resource estimate (≥ 1.0 g/t)

Resource Category	Tonnes	Grade (g/t)	Cut ounces ¹ (Au)
Indicated	241,000	2.6	19,800
Inferred	136,000	2.2	9,600
Total	377,000	2.4	29,400

1. Resource reported at a 1.00 g/t Au lower cut and variable top cuts for the 6 ore zones¹.
2. 1kg screen fire assay results were used for estimation of high grade zones where possible.
3. Assay results are primarily from RC drilling with a single diamond hole into the high grade vein.
4. Specific Gravity density values derived from the Centenary & Buffalo diamond drill core measurements.

The aim of this drilling program was to test for potential extensions prior to finalising the resource models. The revised resource wireframes currently being undertaken will enable the Company to evaluate preliminary pit shell designs prior to siting diamond drill holes for metallurgical test core, geotechnical assessment and pit design. A list of significant RC intersects is provided in Table 2.

This drilling program intersected the Eastern BIF unit and Centenary quartz lodes north and south of the previously-reported resource, with significant assay results north of the Centenary valley including: 11CTRC023 - **6m @ 1.84g/t from 35m**, 11CTRC024 - **3m @ 2.45g/t from 43m**, 11CTRC032 - **3m @ 2.74g/t from 67m**, 11CTRC033 - **5m @ 1.95g/t from 20m** and 11CTRC034 - **3m @ 2.46g/t from 15m and 3m @ 2.07g/t from 42m**.

Drill holes to the south of the resource area also intersected significant mineralisation including: 11CTRC006 - **4m @ 3.39g/t from 30m** and 11CTRC007 – **4m @ 1.43 g/t from 26m**. A number of exploration holes further to the south of the resource area indicated the mineralised eastern BIF unit decreases in thickness and grade away from the Centenary valley deposit area, sterilising the zone south of the deposit to site any waste stockpile for preliminary mine design work.

The southernmost drill line intersected 11CTRC026 - **5m @ 2.21g/t from 1m** in a quartz vein which outcrops and remains open further to the south. This southern zone will be tested with a subsequent drill program, as well as testing the area to the north, because the northern most drill hole in this program 11CTRC023 (**6m @ 1.84g/t from 35m**) is still open down-dip and along strike.

Figure 1 outlines the area which contains the resource zone from drilling, which centres on the Centenary valley deposit area. The focus for the Company is now to update the resource models using these drill assays.

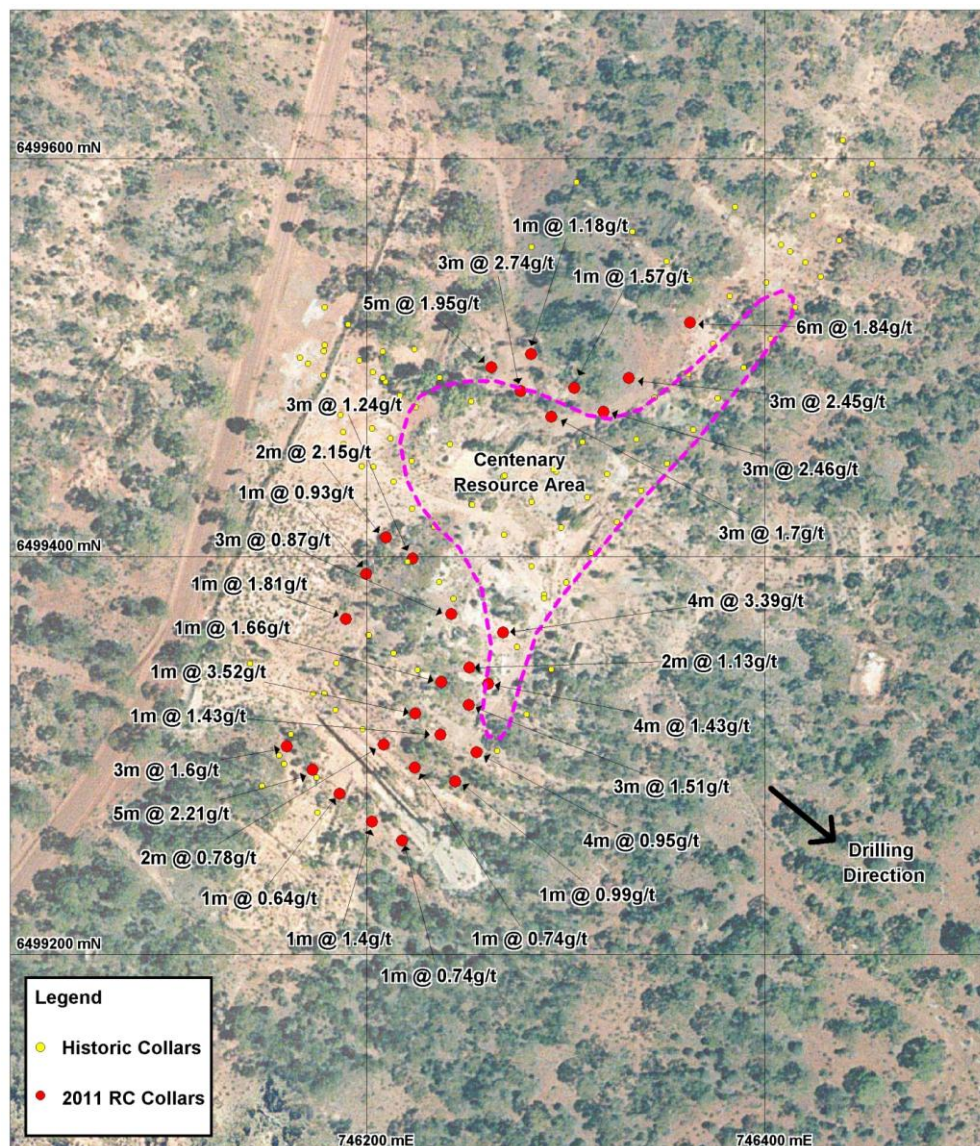


Figure 1: May 2011 RC collars (red) with estimated resource area to be updated

Table 2: Significant gold exploration intersects around the Centenary gold deposit:

Hole_ID	Easting	Northing	Az/Dip	From	To	Interval	Au (g/t)
11CTRC006	746268.54	6499361.9	129/-60	30	34	4	3.39
11CTRC007	746261.13	6499336.2	129/-60	21	22	1	1.15
				26	30	4	1.43
11CTRC008	746251.55	6499344.3	129/-60	10	11	1	1.03
				35	37	2	1.13
11CTRC009	746251.27	6499325.4	129/-60	26	29	3	1.51
11CTRC010	746237.58	6499337	129/-60	41	42	1	1.66
11CTRC011	746255.28	6499301.7	129/-60	13	17	4	0.95
11CTRC012	746237.16	6499310.5	129/-60	29	30	1	1.43
11CTRC013	746224.48	6499321.2	129/-60	40	41	1	3.52
11CTRC014	746244.59	6499286.9	129/-60	14	15	1	0.99
11CTRC015	746224.17	6499293.9	129/-60	27	28	1	0.74
11CTRC016	746208.5	6499305.6	129/-60	41	43	2	0.78
11CTRC017	746217.9	6499257.2	129/-60	15	16	1	0.74
11CTRC018	746202.8	6499266.8	129/-60	29	30	1	1.40
11CTRC019	746186.32	6499280.9	129/-60	43	44	1	0.64
11CTRC023	746362.53	6499517.6	129/-60	28	29	1	1.01
				35	41	6	1.84
11CTRC024	746331.74	6499489.7	129/-60	43	46	3	2.45
11CTRC025	746292.88	6499470.3	129/-60	55	58	3	1.70
11CTRC026	746172.84	6499292.7	129/-60	1	6	5	2.21
				38	39	1	1.24
				54	56	2	1.62
				58	60	2	0.97
11CTRC027	746159.84	6499304.6	129/-60	6	9	3	1.60
11CTRC028	746223.08	6499398.9	129/-60	6	8	2	1.25
				30	32	2	0.89
				70	73	3	1.24
11CTRC029	746209.62	6499409.6	129/-60	79	81	2	2.15
11CTRC030	746242.43	6499371.2	129/-60	50	53	3	0.87
11CTRC031	746199.76	6499391.4	129/-60	77	78	1	0.93
11CTRC032	746277.44	6499483.2	129/-60	67	70	3	2.74
11CTRC033	746262.69	6499495.2	129/-60	20	25	5	1.95
				79	81	2	1.16
11CTRC034	746319.02	6499472.8	129/-60	15	18	3	2.46
				42	45	3	2.07
11CTRC035	746304.3	6499484.8	129/-60	56	57	1	1.57
11CTRC036	746282.57	6499501.7	129/-60	72	74	2	1.01
11CTRC038	746189.48	6499368.7	129/-60	74	75	1	1.81

All samples analysed by Fire Assay on a 50g charge via Genalysis Laboratory Services using a 0.4g/t lower cut

Centenary mining studies

Once the resource model has been updated, the Company's metallurgical consultants will review the Centenary RC chips for comparison with the Buffalo material on which the Company has previously carried out extensive metallurgical studies, with a view to avoiding further diamond drilling. A geotechnical review will also be carried out.

This work will be followed by pit design for both Buffalo and Centenary and final feasibility studies.

PILBARA – RARE EARTHS

Trigg Hill Project, Pilbara, WA (E45/3437 – Gondwana 90%)

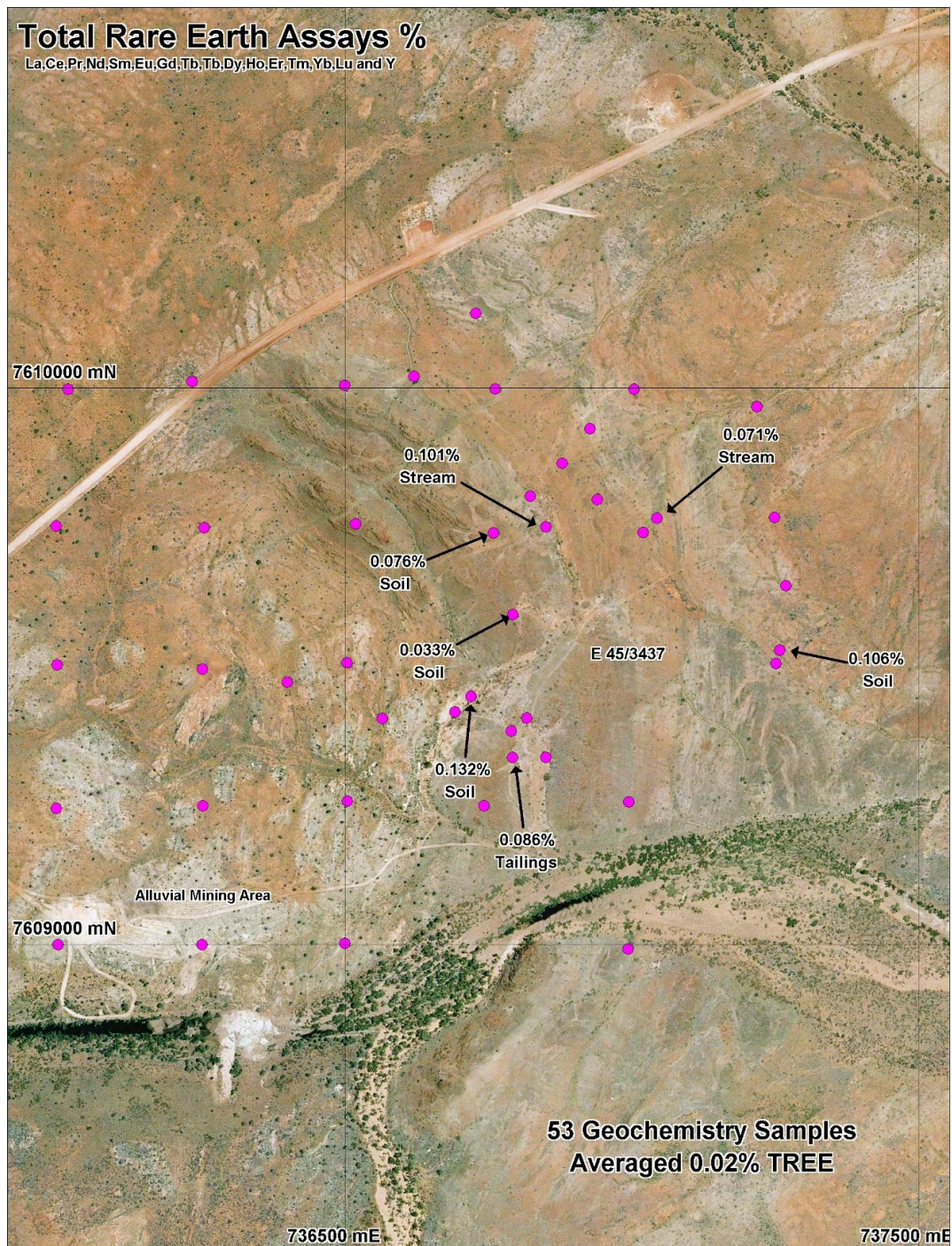


Figure 2: Soil, stream & rock chip sample locations at Trigg Hill with significant REE grades

Rare Earths are in demand with the world prices trending upwards. The Trigg Hill pegmatite project is an historic Tantalum – Yttrantalite alluvial mining district dating back to 1979. This tenement has recently been granted and the Company's historic research indicates a zoned, tantalum and rare earth pegmatite over an area approximately 200m x 10m in size (*reference page 6, WAMEX open file report a14989*) which remains undrilled.

The historically mapped zoned pegmatites have previously been partially mined in the near surface. The area thought to contain the primary mineralisation source has been scraped and shallow backfill covers the pegmatites in these zones.

During the quarter, a reconnaissance rock chip sampling program was completed across the central tenement area. Stream, soil and rock samples were collected by the Company's geologists from 53 representative sites across the target area surrounding the previously mined area.

The geochemical assay results show a number of REE anomalous zones in soils with primary metal values up to **758ppm Yttrium** containing **1322ppm (0.132%) total REE metal grade**, which is strongly anomalous in soil sampling (*refer to Table 3 - Appendix*).

Drill testing of the anomalous areas will be required to test the primary REE grade at depth and sub surface size of the pegmatite intrusive(s).

A follow-up detailed sampling program across the anomalous zone has since been completed (July 2011), with 350 detailed soil samples taken. Assay results are pending and will be released as soon as received

GASCOYNE/ASHBURTON - URANIUM

Red Rock Bore Uranium Project, Ashburton, WA

(E08/1968 – Gondwana 100%)

The Red Rock Bore exploration licence application is located 320 kilometres south of the port of Dampier. The principal feature of Red Rock is an inselberg or exfoliating granite dome that stands 35 metres above the surrounding sand plain.

In August 2009, a rock chip sample 09RRRK003 returned **946ppm uranium and 15ppm thorium (U:Th=63)**, located at 361153mE-7408776mN (MGA Zone 50). In November 2009, a low level, detailed airborne radiometric survey was conducted at 20m height and 20m line spacing (*Figure 3*).

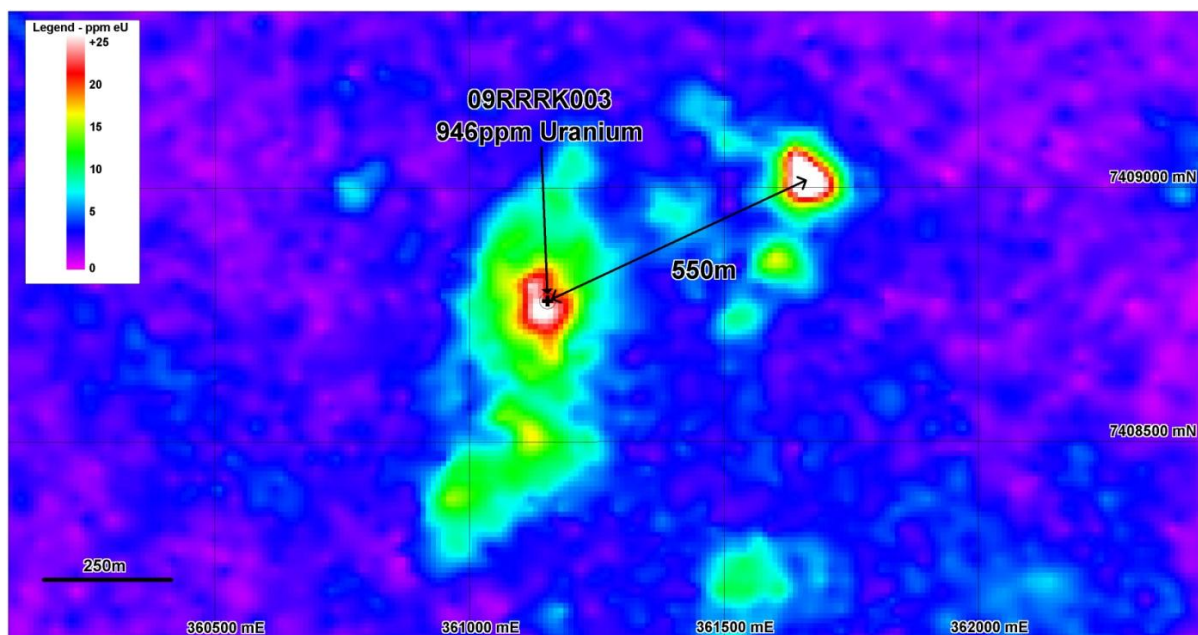


Figure 3: Detailed radiometric survey uranium channel image

The airborne survey was designed to map the area of surface radiometric response and located an isolated uranium channel anomaly where expected – surrounding the central 946ppm U geochemical anomaly discovered in August 2009 (RB1).

This airborne survey also identified a second, stronger uranium channel response 550m to the north east (RB4).

Since the end of the quarter, the second anomaly, RB4, was inspected on the ground, with rock chip sample taken and submitted for assay. Assay results are pending.

Consultant Geologist, Syd Morete, has confirmed that the radiometric anomaly RB4 is due to secondary enrichment within ferruginous exfoliated granite; traces of yellow and green secondary uranium minerals were also observed.

The Company has now acquired high quality radiometric geochemistry over the principal anomalies on RB1 and RB4 and drill sites are now being designed to drill test the bed rock for primary uranium mineralisation. The program is planned to include approximately 2,000m of RC drilling and will be preceded by a heritage survey. Allowing for possible environmental and/or anthropological surveys which may be required, the timing of the drill program is likely to be Q4 2011.

NICKEL

Cyclops Nickel Prospect - Pilbara (E45/3326 - Gondwana 90%)

A detailed airborne V-TEM electromagnetic survey across the Company's Pilbara tenement E45/3326 is to start on 29 July 2011 and results should be available in August 2011. The survey will cover the 1km-long elongated aeromagnetic anomaly which was discovered below ultramafic outcrop in 2009. The Company's program aims to test this ultramafic intrusive for disseminated or massive sulphide lenses.

Bob's Bore Nickel Prospect - Ashburton (E08/1969 – Gondwana 100%)

Following the Cyclops airborne survey, a V-TEM survey will be flown over the Company's Ashburton tenement, E08/1969 to test the Bob's Bore Nickel Prospect. This area contains the only mapped ultramafic complex in the Onslow district. The aeromagnetic anomaly shape is similar to the nearest ultramafic complex being Radio Hill at Karratha

Results of the V-TEM survey should be available in August 2011.

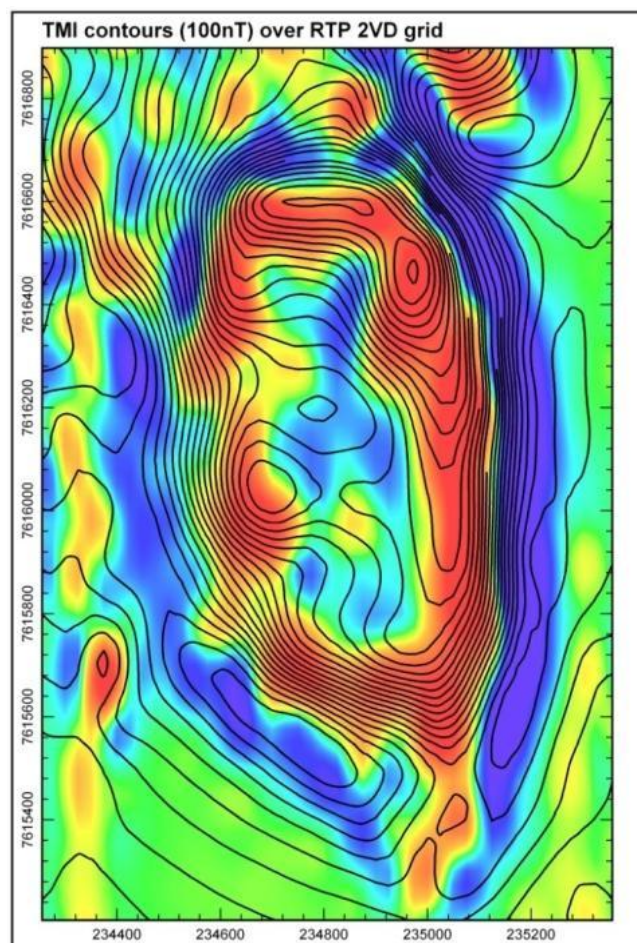


Figure 4: Cyclops Nickel Prospect

PILBARA - IRON ORE**Corunna Downs Iron Prospect**

*E45/2585 (existing Corunna Downs Iron Project area – 100%),
E45/3320 & E45/3579 (new northern tenements – 90 & 100%),
E45/3321 (new southern tenement – 90%)*

The Company is currently in discussions for a possible farm-out agreement in respect of the Corunna Downs Iron Prospect, East Pilbara. Pending the outcome of these discussions, the planned drilling program has been deferred.

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

29 July 2011

Competent Person Statement

The technical information in this report relating 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.

APPENDIX
Table 3: Significant REE Soil Results with average of 53 samples 0.02% TREE

Sample_ID	Type	GDA_E	GDA_N	Ce	Dy	Er	Eu	Gd	Ho	La	Lu	Nd	Pr	Sm	Tb	Tm	Y	Yb	Total REE (ppm)
11THRK005	Tailings	736791	7609336	131.06	25.56	25.91	0.47	14.39	6.05	34.01	11.828	56.59	17.927	17.47	3.488	6.83	434.78	75.12	861.48
11THSS002	Soil	736792	7609593	27.57	12.26	16.84	0.21	4.52	3.46	7.24	7.918	8.74	2.375	3.53	1.38	4.49	177.72	47.5	325.75
11THSS003	Soil	736719	7609446	164.3	40.01	33.23	0.65	24.74	8.38	30.13	15.359	80.84	25.208	30.33	5.887	8.54	758.01	96.77	1322.38
11THSS019	Soil	736758	7609740	45.82	45.59	33.54	0.66	24.72	9.65	12.29	5.969	40.08	7.632	20.28	6.321	6.48	453.28	49.15	761.46
11THSS022	Soil	737258	7609529	88.41	60.06	41.58	0.51	35.3	12.2	25.74	6.975	64.24	13.767	30.11	8.748	7.86	606.45	59.15	1061.10
11THST001	Stream	737043	7609766	207.51	22.43	17.17	1.46	20.52	4.88	87.5	3.6	81.58	22.986	21.85	3.606	3.17	181.64	25.19	705.09
11THST002	Stream	736849	7609751	73.67	51.99	43.78	0.97	27.14	11.58	21.99	10.43	51.43	11.374	23.16	6.974	9.26	592.54	77.77	1014.06
				Ce	Dy	Er	Eu	Gd	Ho	La	Lu	Nd	Pr	Sm	Tb	Tm	Y	Yb	Average TREE
Maximum				207.51	60.06	43.78	1.46	35.3	12.2	87.5	15.359	81.58	25.208	30.33	8.748	9.26	758.01	96.77	203.114

Notes: Samples analysed by Genalysis Laboratory Services

Lab Method is 4 Acid ICP-OES/ICP-MS 64 elements analysis

Average Total REE is averaging all 53 samples and results are in ppm.

The Total Rare Earth Element (TREE) grade is calculated by adding the concentrations of the following elements La + Ce + Pr + Nd + Sm + Eu + Gd + Tb + Tb + Dy + Ho + Er + Tm + Yb + Lu and Y. Significant assays are listed in Table 3. TREE (ppm) grade is shown in the last column of Table 2 and averages 0.02% over 53 samples.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

GONDWANA RESOURCES LIMITED

ABN

72 008 915 311

Quarter ended ("current quarter")

30 June 2011

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (6 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(328)	(839)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(248)	(316)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	1	1
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
Net Operating Cash Flows		(575)	(1,154)
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	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
Net investing cash flows		-	(2)
1.13	Total operating and investing cash flows (carried forward)	(575)	(1,156)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(575)	(1,156)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1,331	1,551
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	370	640
1.17	Repayment of borrowings	(573)	(573)
1.18	Dividends paid		
1.19	Other (provide details if material)	(19)	-
	Net financing cash flows	1,109	1,618
	Net increase (decrease) in cash held	534	462
1.20	Cash at beginning of quarter/year to date	85	157
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	619	619

Payments to directors of the entity and associates of the directors
Payments to 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	45
1.24 Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

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

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

+ See chapter 19 for defined terms.

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	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	250,000
4.2 Development	-
4.3 Production	-
4.4 Administration	75,000
Total	325,000

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	619	85
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	619	85

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	-	-	-	-
6.2 Interests in mining tenements acquired or increased	-	-	-	-

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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)	nil			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	*Ordinary securities	773,641,705	771,141,705		Fully paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	267,149,725	267,149,725		
7.5	*Convertible debt securities (description)	nil	nil		
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	351,634,571 600,000	351,634,571 nil	Exercise price 1¢ Exercise price 30¢	Expiry 30/6/13 Expiry 31/12/11
7.8	Issued during quarter	239,701,237	239,701,237	Issued free attached to shares subscribed	
7.9	Exercised during quarter	6,048,488 21,400,000	6,048,488 21,400,000	Exercise price 1¢ Exercise price 1¢	Expiry 30/6/11 Expiry 30/6/13
7.10	Expired during quarter	40,443,636	40,443,636	Exercise price 1¢	Expiry 30/6/11
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 4).
- 2 This statement does /does not* [\(delete one\)](#) give a true and fair view of the matters disclosed.



Sign here: Date 29 July 2011
(Director/Company secretary)

Print name: Warren T 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 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, 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 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** [ASX will accept, for example, the use of International Accounting 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.](#)

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+ See chapter 19 for defined terms.