

MEDIA RELEASE

2 September 2011



PILBARA RARE EARTHS REPORT

Highlights:

- A detailed geochemical soil survey program comprising 341 soil samples from the Trigg Hill Rare Earths Prospect contained significant Rare Earth Elements (REE)
 - Twenty- one samples graded between 200ppm (0.02%) and 1242ppm (0.124%) Total REE
 - This geochemical program has identified an REE pegmatite target over 200m in strike (central zone) and a new northern zone anomaly of approximately 160m in strike, both of which will be RC drill-tested in the next program
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Trigg Hill Project, East Pilbara

(E45/3437 – Gondwana 90%)

Background

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 was granted in 2011 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 from WAMEX open file report a14989) which remains undrilled but surface strip mined.



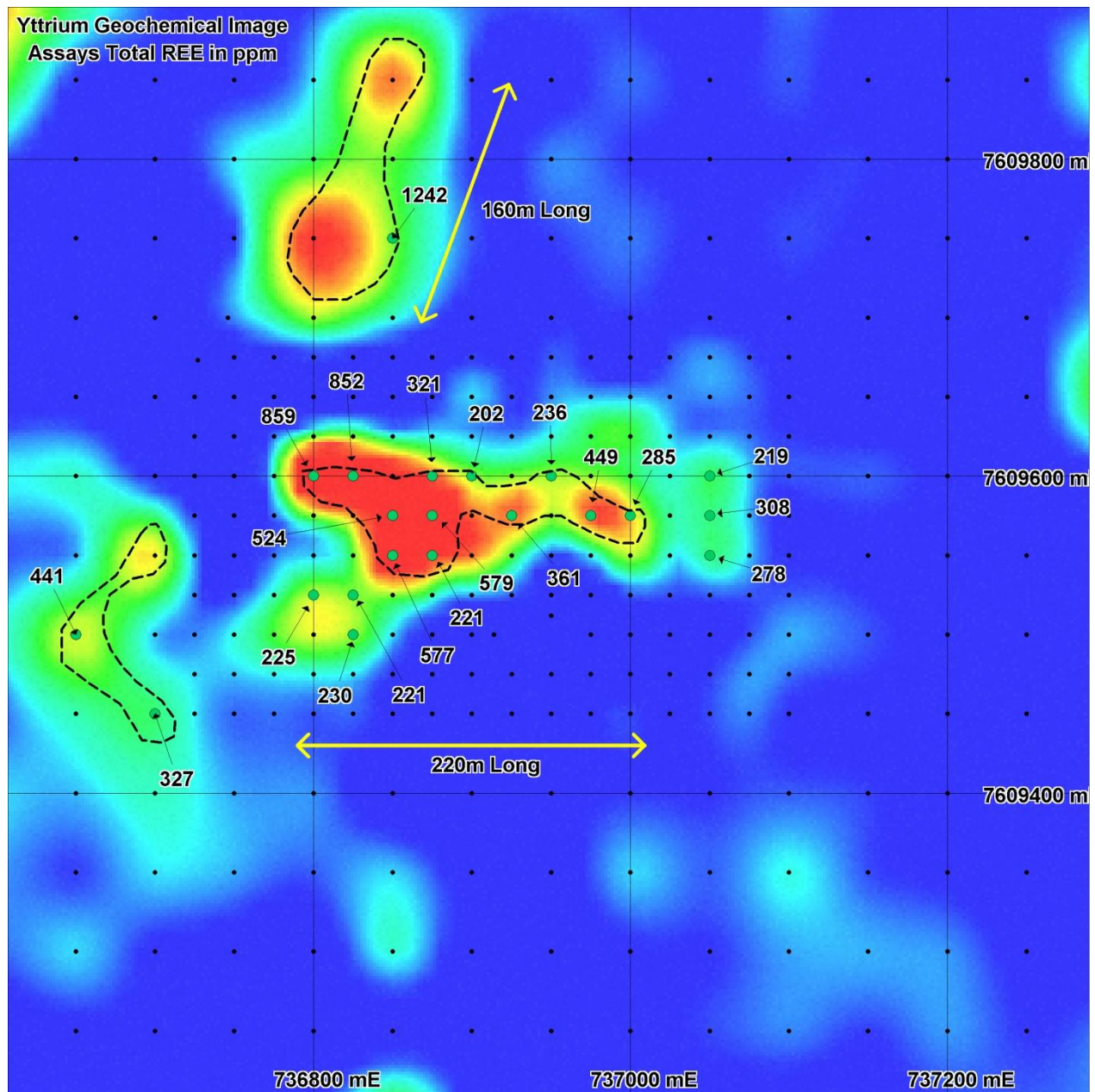
Rock Chip Sampling Program

A detailed rock chip sampling program at 25m and 50m sample spacing has just been completed across the central target area. The central area is thought to contain the primary mineralisation source from historic mapping, and has been confirmed with this detailed soil survey.

6mm mesh soil samples were extracted from 341 sample locations across the central target zone and surrounding areas which showed anomalous responses from the reconnaissance survey in May.

The geochemical assay results show the central REE target area is approximately 220m in strike, which is co-incident in size to the covered pegmatite zone previously mapped in the 1980's.

A new northern zone without mapped pegmatites has also been uncovered, with the length of the new anomalous response approximately 160m in strike (see figure).



Detailed soil sample locations, with Yttrium grid image and +0.02% TREE grades shown

The background image in the above figure is a gridded product from the Yttrium values, and the maximum total Rare Earth grade values are shown over 200ppm. There is clearly an eastern extension zone to the main target which indicates there could be an eastern plunge to the pegmatite. The northern target is at a similar height level and may or may not be associated with the same pegmatite linked beneath the hill.

The surface exploration has shown other anomalous zones to the west; however the main target zone is 220m long and is to be drill tested with an RC drill program. The RC drill program currently being designed will test the width and grade of the pegmatite at depth. The drill program is required to test the potential for a plunging pegmatite under the ultramafic host rocks to the east and to the north.

Significant assay results are listed in the Table below, confirming that the Trigg Hill Rare Earths Prospect is highly promising in both size and grade. The Total Rare Earth Element 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. TREE (ppm) grade is shown in the last column.

Table 1: Significant REE Soil / Rock Chip results from detailed survey over target zone (ppm)

Sample	Type	GDA_E	GDA_N	Ce	Dy	Er	Eu	Gd	Ho	La	Lu	Nd	Pr	Sm	Tb	Tm	Y	Yb	Total REE (ppm)
11TH051	Rocky	736850	7609750	53.33	79.72	56.37	0.58	41.13	15.97	10.19	13.345	60.97	11.059	32.83	10.346	11.65	754.07	90.14	1241.7
11TH137	Sandy	736800	7609600	36.3	37.7	51.92	0.34	11.44	10.72	9.02	28.82	13.46	3.569	7.06	3.628	13.94	483.6	147.19	858.7
11TH138	Rocky	736825	7609600	39.76	26.26	27.36	0.39	14.33	6.05	12.96	17.243	30.16	5.898	17.71	3.299	7.68	554.56	88.16	851.8
11TH160	Rocky	736875	7609575	51.82	23.42	24.4	0.42	10.54	5.71	11.26	11.127	27.2	7.401	10.21	2.687	6.05	326.13	60.31	578.7
11TH178	Sand	736850	7609550	35.14	23.93	32.79	0.4	9.21	6.78	13.21	16.674	15.77	4.017	6.2	2.479	8.62	316.28	85.22	576.7
11TH159	Rocky	736850	7609575	27.61	19.07	24.23	0.21	7.7	5.07	7.22	12.881	15.94	3.611	7.48	2.049	6.47	315.97	68.03	523.5
11TH164	Gravel	736975	7609575	19.73	21.95	25.72	0.28	9.48	5.67	7.25	11.094	11.3	2.419	5.49	2.431	6.27	260.75	59.44	449.3
11TH210	Rocky	736650	7609500	42.9	35.14	19.95	0.55	22.45	6.26	17.73	4.323	32.73	6.234	18.16	5.07	3.87	197.5	27.89	440.8
11TH162	Rocky	736925	7609575	40.64	14.92	16.89	0.5	6.79	3.84	19.07	7.308	16.43	4.665	4.8	1.631	4.09	180.49	38.79	360.8

Notes:

Samples analysed by Genalysis Laboratory Services

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

Contact

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A handwritten signature in dark ink, appearing to read 'Warren Beckwith', with a long horizontal flourish extending to the right.

Warren Beckwith
Director
Gondwana Resources Limited

Competent Person Statement – Exploration Results

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.