

## ACTIVITIES REPORT FOR THE JUNE QUARTER 2013

### PARKER RANGE GOLD PROJECT

#### Parker Range Gold Project, Western Australia

(Centenary M77/657, M77/762-3 - Gondwana 100%, Buffalo & Spring Hill M77/893 – Gondwana 70%)

#### Location

The Parker Range Gold Project is located in the Southern Cross Greenstone Belt 22km south of Hanking's Marvel Loch Gold Operations along the Marvel Loch-Forrestania Road (see figure 1). The Southern Cross area is a well-recognised regional mining centre offering excellent established infrastructure and a long gold mining tradition.

#### Background

The Company's focus has been to transform the historic gold mines at Buffalo, Spring Hill and Centenary into JORC-compliant resources and to explore nearby gold prospects with the aim of achieving critical mass needed to commercialise the Parker Range Gold Project.

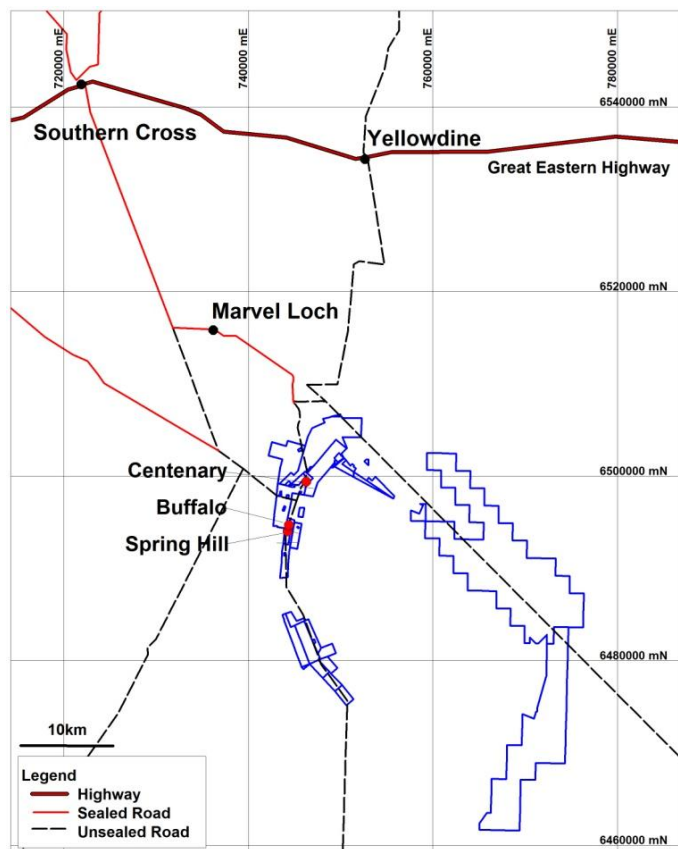
The Parker Range Gold Project now has an estimated 91,450oz Au Mineral Resources (refer to the Appendix).

#### Recent Activity

Following the completion of pit shell optimization studies for the Centenary, Buffalo and Spring Hill gold deposits, with positive results for all three pit pits, Minecomp Pty Ltd have generated pit designs, life-of-mine schedules, cash flow projections and JORC Ore Reserve estimates.

#### Mining Studies

During the June 2013 quarter, the Company neared completion of its mining studies for the Parker Range Gold Project with a view to going into production in calendar year 2013, depending on the final outcome of studies, the approvals referred to below and the gold price.



**Figure 1:**  
**Location of the Parker Range Gold Project -**  
**Centenary, Buffalo & Spring Hill gold deposits**  
**and the Centenary gold deposit 5km to the north**

This work included the following:

### **Environmental Studies, Flora and Fauna**

As part of the Company's mining studies for the Parker Range Gold Project, Keith Lindbeck & Associates commissioned Botanica Consulting to conduct a Level 2 Flora Survey to EPA guidance 51 standards and Julie Raines, Consulting Zoologist, to conduct a Fauna Survey covering the proposed mine sites of approximately 310ha.

Following the completion and submission to the DEC of these reports during the March quarter, a follow up priority species flora survey is scheduled for this upcoming quarter.

### **Mining**

Following on from the Buffalo mine project management plan approval last quarter, the project management plan for the Centenary mine was completed and submitted to the DMP during this quarter and received approval. The Company has finalised mining proposals including mine closure plans for the Buffalo and Centenary mines. Clearing permits for both mines have been submitted to the DMP and are awaiting approval.

The Company continued discussions with a number of independent mining contractors and cartage contractors regarding the mining and logistics of the projects.

### **Treatment**

As previously reported, St Barbara Limited has sold its Southern Cross operations (including the Marvel Loch mill) to a subsidiary of Hong Kong listed China Hanking Holdings Limited (Hanking). The Company is continuing discussions with Hanking regarding toll treating the ore from the Parker Range Gold Project at the Marvel Loch mill located 22km north of the Project.

### **Gold Price**

The Company assumed a gold price of A\$1,500 per ounce as part of the initial desktop studies of the Parker Range project. Given recent gold price fluctuations the Company will continue to carefully monitor this aspect of the project prior to any commencement of production.

## **EAST PILBARA PROJECT**

### **Sale of tenements**

#### **Corunna Downs and associated tenements**

E45/2585, E45/3320-4, E45/3579, E46/1803

The Company announced during the quarter that Atlas Iron Limited (Atlas, ASX:AGO) had exercised its Option to purchase Gondwana's interest in Corunna Downs and adjacent tenements located in the East Pilbara, WA, namely exploration licences E45/2585, E45/3320, E45/3321, E45/3322, E45/3323, E45/3324, E45/3579 and E46/803, and the sale of the tenements were completed. As a result: -

- Gondwana received consideration of \$1,400,000;
- Gondwana retains a royalty of \$1.13 per tonne for all iron ore sold in relation to these tenements;
- Gondwana retains a royalty of 1.5% of the gross proceeds of sale of other minerals;
- Gondwana will receive a fee of \$0.20 per tonne in excess of 2 billion tonnes of independently verified JORC compliant iron ore reserves in respect of the tenements as published by Atlas immediately prior to Atlas making a decision to commence first commercial mining on the tenements; and
- Atlas has assumed obligations to Adelaide Prospecting Pty Ltd in respect of Adelaide's free-carried 10% interest in the tenements.

Since the end of the quarter, on 24 July 2013 Atlas announced a Maiden Inferred Resource at Corunna Downs of 25Mt at 56.5%Fe (see announcement for further details).

### Other tenements in the East Pilbara

The Company has retained a 90% interest in exploration licences and applications E45/3326, E46/759, ELA45/3956 and ELA45/4110 prospective for gold, copper and other minerals. During the quarter data reviews, planning of follow-up field programmes and farm-out discussions continued in respect of the two live tenements.

## URANIUM PROJECT

Gondwana Resources Limited holds a 100% interest in a number of 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.

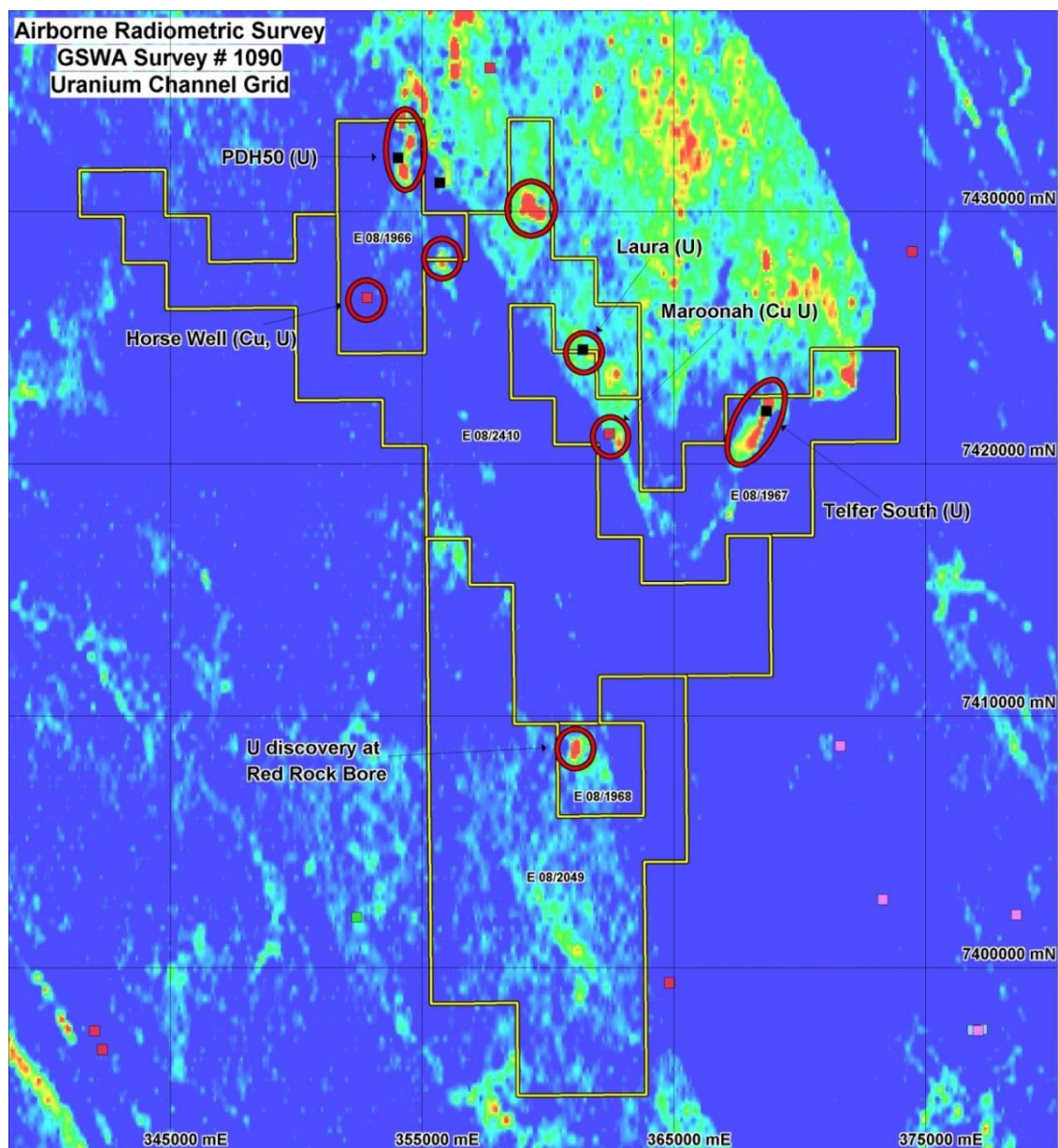


Figure 2: Uranium prospects identified by airborne radiometric survey

**Red Rock Bore (E08/1968, 2049)-Horse Well (E08/1966)-Mt Padbury (E08/1967)-Horse Well South (ELA08/2410)**

These five tenements have been combined into a contiguous block covering 441km<sup>2</sup> (see figure 2 above).

**Red Rock Bore**

The most prospective of the targets in this tenement group is Red Rock Bore where airborne radiometric anomalies are associated with a uraniferous granite at or adjacent to a Lower Proterozoic unconformity. The principal feature of Red Rock Bore is an inselberg or exfoliating granite dome that stands 35 metres above the surrounding sand plain.

The project is located on Maroonah Station, a pastoral property in the Gascoyne region approximately 220km southeast of Exmouth in Western Australia. Tenure is secured by exploration licence E08/1968 which is wholly owned by Gondwana Resources Limited. Red Rock Bore is located 11km northeast of Maroonah Homestead and 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, i.e. Lower Proterozoic. The granite straddles the Lower-Middle Proterozoic unconformity, a highly prospective feature in uranium geology.

The Company has prepared a plan to drill approximately 1,000 metres in eight drillholes, aimed at testing a number of surface radiometric uranium and geological anomalies with both vertical and angled reverse circulation (RC) drillholes.

The proposed RC drilling program will test uranium radiometric anomalies hosted in weathered surface granite outcrops. Prior to any drilling, the Department of Mines and Petroleum regulations require a comprehensive Radiation Management Plan (RMP) to be submitted that addresses potential radiation issues. A RMP has been compiled and submitted, however the DMP has advised that it does not satisfy the regulations and will need to be resubmitted.

**CORPORATE**

The Company continued to progress its strategy during the quarter to: -

- monetise and/or farm-out lower priority areas, lowering expenditure commitments, and retain carried interests and/or royalties;
- recapitalise the company; and
- identify and acquire new, potential “company-maker” mineral projects for investment.

As set above, the Company finalised the sale of Corunna Downs with Atlas and received \$1.4M plus GST in sale proceeds. The Company held a number of discussions with interested parties regarding the disposal or farm out of other Company tenements.

The Company also had a number of discussions and conducted preliminary investigations regarding potential project acquisitions and will update the market once these are sufficiently advanced.

**Contact**

For further information please contact Daniel Hewitt or Alana Da Silva at the Company on (08) 9388 9961, email [info@gondwanaresources.com](mailto:info@gondwanaresources.com) or visit the website at [www.gondwanaresources.com](http://www.gondwanaresources.com).



**Paul Goodsall**  
**Company Secretary**  
**30 July 2013**

**Competent Persons Statement – Ore Reserves**

*The open pit mining reserves have been compiled by Mr Gary McCrae, a full time employee of Minecomp Pty Ltd (MAIMM). Gary McCrae has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which is being reported on to qualify as a Competent Person as defined in the Code for Reporting of Mineral Resources and Ore Reserves (2004). Gary McCrae consents to the inclusion in this report of the matters in the form and context in which it appears.*

**Competent Person Statements – Exploration**

*The information in this Report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Malcolm Castle who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Castle 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 Castle consents to the inclusion in this Report of the matters based on his information in the form and context in which it appears. Mr Castle is a self-employed consultant to the Company.*

## APPENDIX

## ORE RESERVES AND MINERAL RESOURCES

1. Buffalo, Spring Hill and Centenary JORC Mineral Resource Estimate ( $\geq 1.0$  g/t)

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

\*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. 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 to be 12.2:1. Operating cash costs are estimated to be 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.

### 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. It is proposed to mine the Spring Hill pit over a period of 7 months, initially in conjunction with the Buffalo pit.

# 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 2013

### 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	(119)	(423)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(56)	(255)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	8	13
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (R & D rebate)	139	139
<b>Net Operating Cash Flows</b>		<b>(28)</b>	<b>(526)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	1,400	1,400
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	(130)	(130)
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material) - Deposits recovered	-	-
<b>Net investing cash flows</b>		<b>1,270</b>	<b>1,270</b>
1.13	Total operating and investing cash flows (carried forward)	<b>1,242</b>	<b>744</b>

+ See chapter 19 for defined terms.



**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	1,242	744
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	1	1
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	<b>Net financing cash flows</b>	1	1
	<b>Net increase (decrease) in cash held</b>	1,243	745
1.20	Cash at beginning of quarter/year to date	241	739
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	1,484	1,484

**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	-
1.24 Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payments normally made to directors during the quarter were deferred until next quarter.

**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	220,000
4.2 Development	-
4.3 Production	-
4.4 Administration	190,000
Total*	410,000

### 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	1,484	241
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	1,484	241

### 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	Corunna Downs and adjacent tenements in the East Pilbara	E45/2585 ) Option to purchase exercised E45/3320 ) E45/3321 ) E45/3322 ) E45/3323 ) E45/3324 ) E45/3579 ) E46/803 )	) 90% ) ) ) ) ) ) )	) nil ) ) ) ) ) ) )
6.2				

+ 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	<b>Preference securities</b> <i>(description)</i>	nil			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	<b>+Ordinary securities</b>	17,253,940	17,228,940		Fully paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	502 -	502 -		
7.5	<b>+Convertible debt securities</b> <i>(description)</i>	nil			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b> <i>(description and conversion factor)</i>	4,200,000 5,000,000	4,200,000 5,000,000	Exercise price 10¢ Exercise price 10¢	Expiry 30/6/14 Expiry 30/6/15
7.8	Issued during quarter	-	-		
7.9	Exercised during quarter	502	502		
7.10	Expired during quarter	3,809,094	3,809,094	-	
7.11	<b>Debentures</b> <i>(totals only)</i>	nil	-	-	
7.12	<b>Unsecured notes</b> <i>(totals only)</i>	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: 30 April 2013  
(Director)

Print name: Paul Goodsall

## 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.