

## ACTIVITIES REPORT FOR THE SEPTEMBER 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

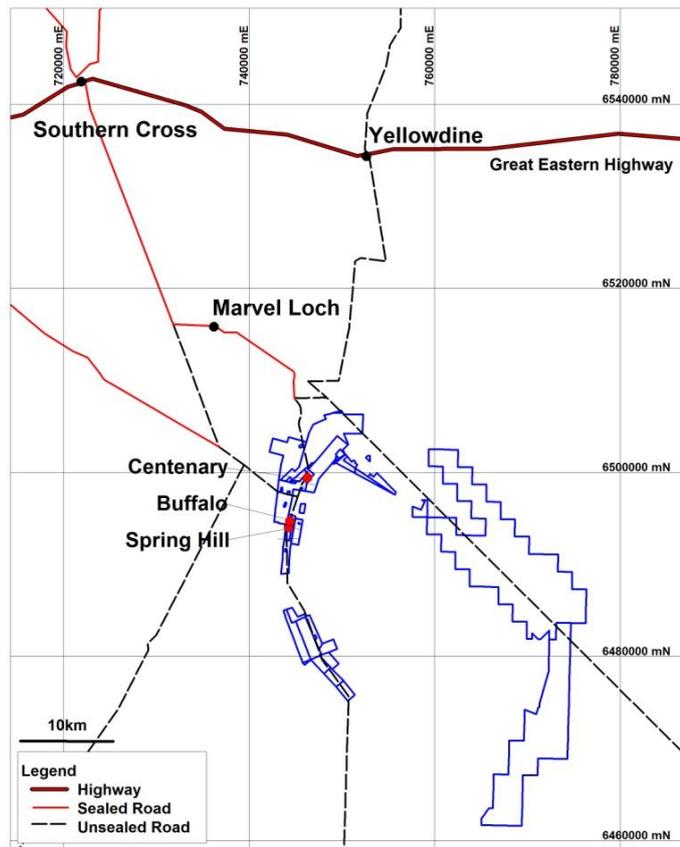
The Company's focus has been to transform the historic gold mines at Buffalo, Spring Hill and Centenary into JORC-compliant resources and to explore nearby gold prospects with the aim of achieving critical mass needed to commercialise the Parker Range Gold Project.

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

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

#### Mining Studies

During the September 2013 quarter, the Company neared completion of its mining studies for the Parker Range Gold Project. Depending on the final outcome of studies, the approvals referred to below and the gold price, the Company aims to commence production on a toll treatment basis.



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

Recent work included the following:

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

Keith Lindbeck & Associates commissioned Botanica Consulting to conduct a follow-up (Autumn) priority species flora survey during the quarter for inclusion in the mining proposals.

#### **Mining**

During the quarter, the Company liaised with the DMP regarding the detail of the Buffalo and Centenary mining proposals and mine closure plans and the process is ongoing.

The Company also commissioned Capital Mine Consulting (CMC) to conduct an independent review of the project's economic feasibility based on production parameters, the Company's budgeted costs and the quoted costs obtained by the Company from independent mining contractors and cartage contractors and other proposed suppliers.

Ore reserves will be updated by the Company at the conclusion of CMC's review.

#### **Treatment**

The Company continued a dialogue 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 will continue to carefully monitor the gold price given its impact on the economics of the Project prior to any commencement of production.

## **PILBARA PROJECTS**

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

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

As previously reported Atlas Iron Limited (Atlas, ASX:AGO) has acquired this group of tenements from Gondwana. As well as a royalty on all minerals extracted, Gondwana retains a royalty of \$1.13 per tonne for all iron ore sold in relation to these tenements, and will receive a fee of \$0.20 per tonne in excess of 2 billion tonnes of independently verified JORC compliant iron ore reserves.

During 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).

#### **Gobbo's Copper-Molybdenum Prospect**

E45/3326 – 90%

This tenement contains the Gobbo's Prospect with Copper and Molybdenum mineralisation being discovered in diamond drilling (from 1980). Copper-Molybdenum mineralisation found in the creek bed will be mapped and sampled, with a follow up RC drill program to be formulated to drill test the demagnetised zone outlined from the detailed aeromagnetic survey previously completed by the Company.

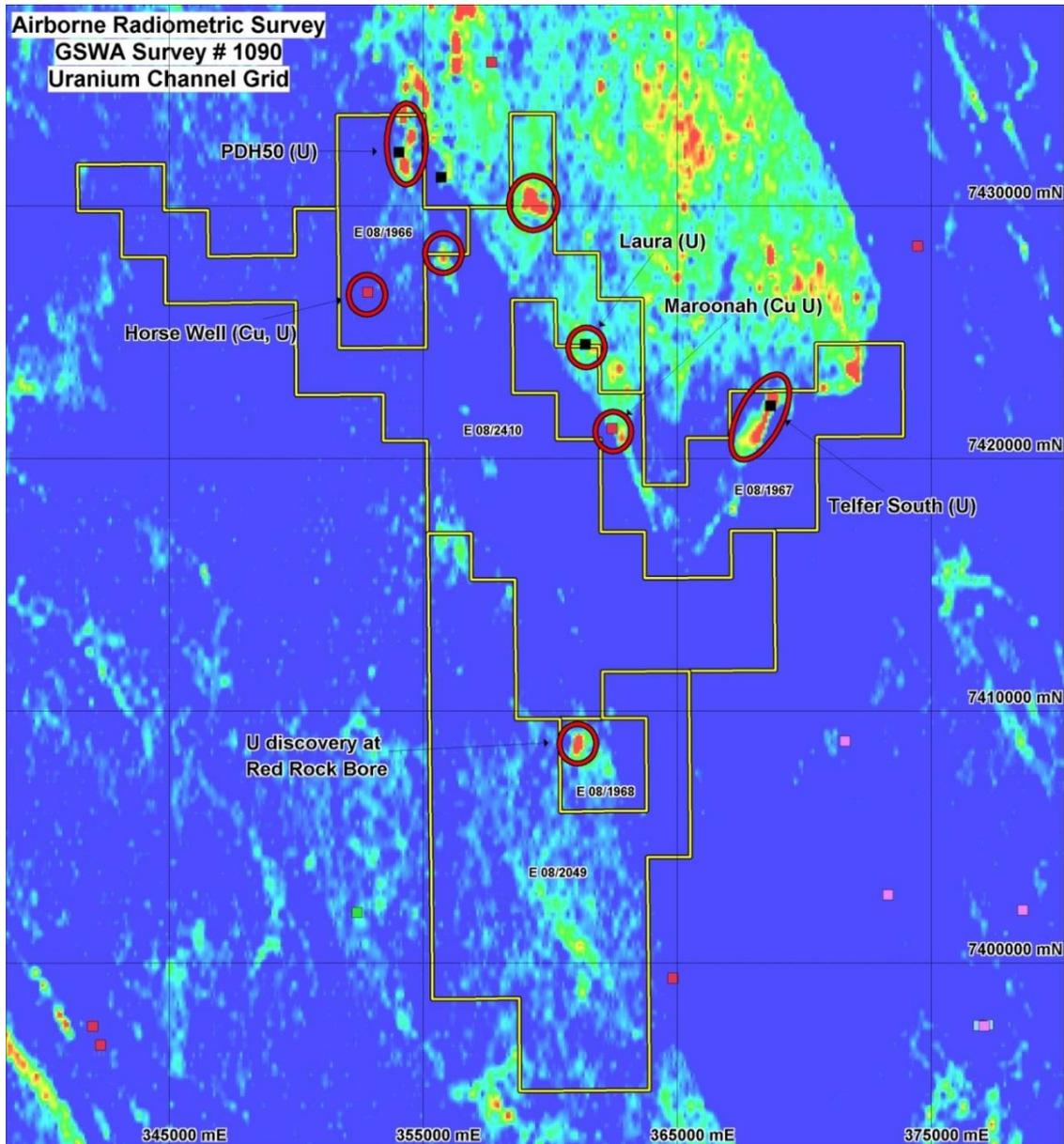
The Company is in discussions regarding farming out an interest in this tenement.

#### **Other Pilbara tenements**

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.

## URANIUM PROJECTS

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).

### 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 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  $1681 \pm 10$ Ma, i.e. Lower Proterozoic. The granite straddles the Lower-Middle Proterozoic unconformity, a highly prospective feature in uranium geology.

Once a Radiation Management Plan (RMP) has been approved by the Department of Mines and Petroleum, the Company has planned a RC drill program of 1,000 metres in eight drillholes to test a number of surface radiometric uranium and geological anomalies.

## 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; and
- identify and acquire new, potential “company-maker” mineral projects for investment.

The Company continued discussions and preliminary investigations regarding potential project acquisitions and will update the market once these are sufficiently advanced.

### Contact

For further information please contact Daniel Hewitt 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**  
**31 October 2013**

### Competent Person Statement

*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

### MINERAL RESOURCES

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

Resource Category	Tonnes	Grade (g/t)	Cut ounces* (Au)
<b><i>Buffalo</i></b>			
Indicated	292,200	2.4	22,200
Inferred	62,800	1.6	3,200
Buffalo total	355,000	2.2	25,400
<b><i>Spring Hill</i></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><i>Centenary</i></b>			
Indicated	391,000	2.4	30,400
Inferred	166,000	1.8	9,900
Centenary total	557,000	2.2	40,300
<b><i>Total Project</i></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

# Appendix 5B

## Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

**Name of entity**

**Gondwana Resources Limited**

**ABN**

**72 008 915 311**

**Quarter ended ("current quarter")**

**30 September 2013**

### Consolidated statement of cash flows

<b>Cash flows related to operating activities</b>	<b>Current quarter \$A'000</b>	<b>Year to date (...9... months) \$A'000</b>
<b>1.1 Receipts from product sales and related debtors</b>		
<b>1.2 Payments for (a) exploration &amp; evaluation (b) development (c) production (d) administration</b>	<b>(387)</b>	<b>(812)</b>
<b>1.3 Dividends received</b>		
<b>1.4 Interest and other items of a similar nature received</b>	<b>10</b>	<b>23</b>
<b>1.5 Interest and other costs of finance paid</b>		
<b>1.6 Income taxes paid</b>		
<b>1.7 Other (R &amp; D Rebate)</b>	<b>135</b>	<b>274</b>
<b>Net Operating Cash Flows</b>	<b>(572)</b>	<b>(1,099)</b>
<b>Cash flows related to investing activities</b>		
<b>1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets</b>		
<b>1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets</b>		<b>1,400</b>
<b>1.10 Loans to other entities</b>	<b>(120)</b>	<b>(250)</b>
<b>1.11 Loans repaid by other entities</b>		
<b>1.12 Other (provide details if material)</b>		
<b>Net investing cash flows</b>	<b>(120)</b>	<b>1,150</b>
<b>1.13 Total operating and investing cash flows (carried forward)</b>	<b>(692)</b>	<b>51</b>

+ See chapter 19 for defined terms.

**Appendix 5B****Mining exploration entity and oil and gas exploration entity quarterly report**

<b>1.13</b>	<b>Total operating and investing cash flows (brought forward)</b>	<b>(692)</b>	<b>51</b>
	<b>Cash flows related to financing activities</b>		
<b>1.14</b>	<b>Proceeds from issues of shares, options, etc.</b>	<b>-</b>	<b>1</b>
<b>1.15</b>	<b>Proceeds from sale of forfeited shares</b>		
<b>1.16</b>	<b>Proceeds from borrowings</b>		
<b>1.17</b>	<b>Repayment of borrowings</b>	<b>(119)</b>	<b>(119)</b>
<b>1.18</b>	<b>Dividends paid</b>		
<b>1.19</b>	<b>Other (provide details if material)</b>		
	<b>Net financing cash flows</b>	<b>(119)</b>	<b>(118)</b>
	<b>Net increase (decrease) in cash held</b>	<b>(812)</b>	<b>(67)</b>
<b>1.20</b>	<b>Cash at beginning of quarter/year to date</b>	<b>1,484</b>	<b>739</b>
<b>1.21</b>	<b>Exchange rate adjustments to item 1.20</b>		
<b>1.22</b>	<b>Cash at end of quarter</b>	<b>672</b>	<b>672</b>

**Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities**

		<b>Current quarter \$A'000</b>
<b>1.23</b>	<b>Aggregate amount of payments to the parties included in item 1.2</b>	<b>45</b>
<b>1.24</b>	<b>Aggregate amount of loans to the parties included in item 1.10</b>	<b>-</b>

**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	200
4.2 Development	
4.3 Production	
4.4 Administration	130
<b>Total</b>	<b>330</b>

### 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	673	1,484
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>673</b>	<b>1,484</b>

---

+ See chapter 19 for defined terms.

**Appendix 5B****Mining exploration entity and oil and gas exploration entity quarterly report****Changes in interests in mining tenements and petroleum tenements**

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	n/a		
6.2	Interests in mining tenements and petroleum tenements acquired or increased	n/a		

**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>			
7.2	<b>Changes during quarter</b> (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	<b>+Ordinary securities</b>	17,253,440	17,228,440	Fully paid
7.4	<b>Changes during quarter</b> (a) Increases through issues (b) Decreases through returns of capital, buy-backs	- 500	- 500	
7.5	<b>+Convertible debt securities</b>	nil		

+ See chapter 19 for defined terms.

**Appendix 5B**

**Mining exploration entity and oil and gas exploration entity quarterly report**

<b>7.6</b>	<b>Changes during quarter</b> <b>(a) Increases through issues</b> <b>(b) Decreases through securities matured, converted</b>				
<b>7.7</b>	<b>Options</b> <i>(description and conversion factor)</i>	4,200,000 5,000,000	4,200,000 5,000,000	<i>Exercise price</i> 10 ¢ 10 ¢	<i>Expiry date</i> 30/6/14 30/6/15
<b>7.8</b>	<b>Issued during quarter</b>	-	-		
<b>7.9</b>	<b>Exercised during quarter</b>	-	-		
<b>7.10</b>	<b>Expired during quarter</b>	-	-		
<b>7.11</b>	<b>Debentures (totals only)</b>	nil	-		
<b>7.12</b>	<b>Unsecured notes (totals only)</b>	nil	-		

## 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 5).
- 2** This statement does /does not\* (*delete one*) give a true and fair view of the matters disclosed.



**Sign here:** .....  
**(Director/Company secretary)**

**31 October 2013**  
**Date:** .....

**Paul Goodsall**  
**Print name:** .....

## 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

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity and oil and gas exploration entity quarterly report**

---

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 and petroleum 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 or petroleum 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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5** **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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.

== == == == ==