

MEDIA RELEASE

16 November 2012

Gondwana
RESOURCES LIMITED

PROGRESS REPORT

Parker Range Gold Project, WA

(M77/657, M77/762-763 - Gondwana 100%, M77/893 – Gondwana 70%)

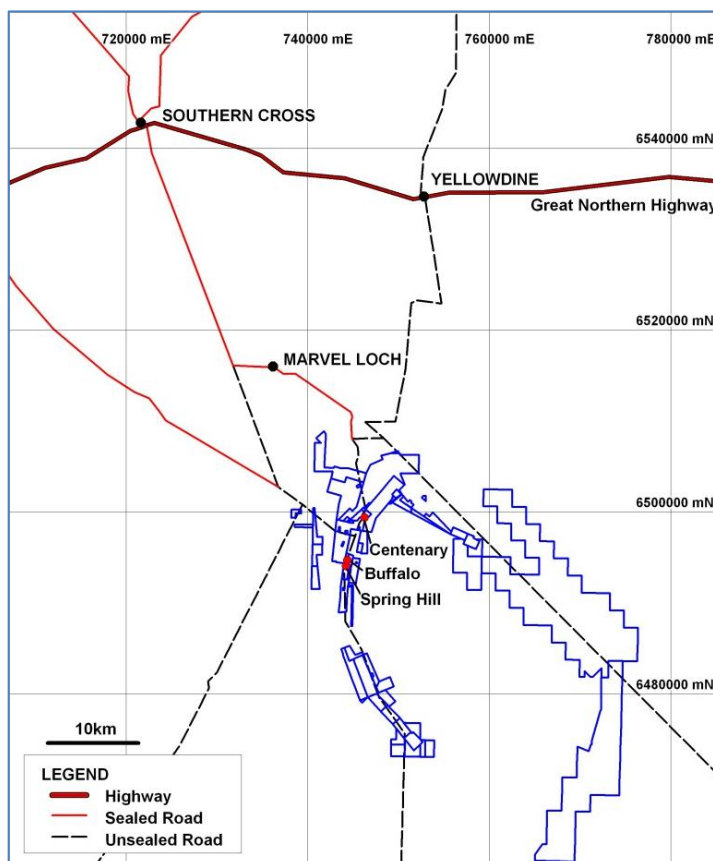


Figure 1:

Centenary, Buffalo & Spring Hill gold deposits

Parker Range Gold Project is located in the Southern Cross Greenstone Belt 22km south of St Barbara's Marvel Loch Gold Operations along the Marvel Loch-Forrestania Road.

Mining Studies

As part of the Company's mining studies for the Parker Range Gold Project, Environmental and Site Surveys have now been commissioned.

Flora and Fauna Surveys

A Level 2 Flora Survey to EPA guidance 51 standards will be conducted covering the proposed minesite area of approximately 310ha will be conducted by Botanica Consulting.

A Fauna Desktop Study and Level 1 Fauna Assessment covering the proposed minesite area of approximately 310ha will be conducted by Zoologist, Julie Raines

The surveys will commence on 26 November and reports are expected to be available in December.

Site survey

Southern Cross Surveys have now commenced a comprehensive survey of the proposed minesite area around the pits at Centenary, Buffalo and Spring Hill. This will permit finalisation of the site layout and design including waste and ore stockpile pads, site buildings,

machinery service areas, magazine, internal roads, environmental bunds and the survey of the shire road to be rebuilt around the pits. This survey is expected to be completed by 23 November 2012.

Pit design

Following the completion of a pit shell optimization study for each of the Centenary, Buffalo and Spring Hill gold deposits Minecomp Pty Ltd have generated a pit design for each of the three deposits, life-of-mine schedules and cash flow estimates and JORC Ore Reserve Estimates.

Following the Site Survey and further discussion with mining contractors, final pit designs will be completed. Revised mining schedules and cash flow estimates will be then be completed.

Parker Range Gold Project Ore Reserve

The Company's JORC Ore Reserve estimate for the Parker Range Gold Project is set out below.

Parker Range Gold Project Ore Reserve Estimate

	Reserve Classification	Mining Reserves	Mined Ounces
Centenary	Probable	339,000t @ 2.3g/t	25,500
Buffalo	Probable	238,000t @ 2.2g/t	17,000
Spring Hill	Probable	201,000t @ 1.9g/t	12,100
Total		778,000t @ 2.2g/t	55,600

Note: Gold price of A\$1,500 per ounce has been assumed. Refer to the Appendix for the detailed notes accompanying the Ore Reserve Estimate.

Further exploration potential exists at the Centenary Project. In addition, in view of the stronger gold price, waste stock piles at Spring Hill and Buffalo will be tested for possible further gold recovery.

Copper/Molybdenum/Nickel

(E45/3326 – 90%)

Cyclops Nickel Project

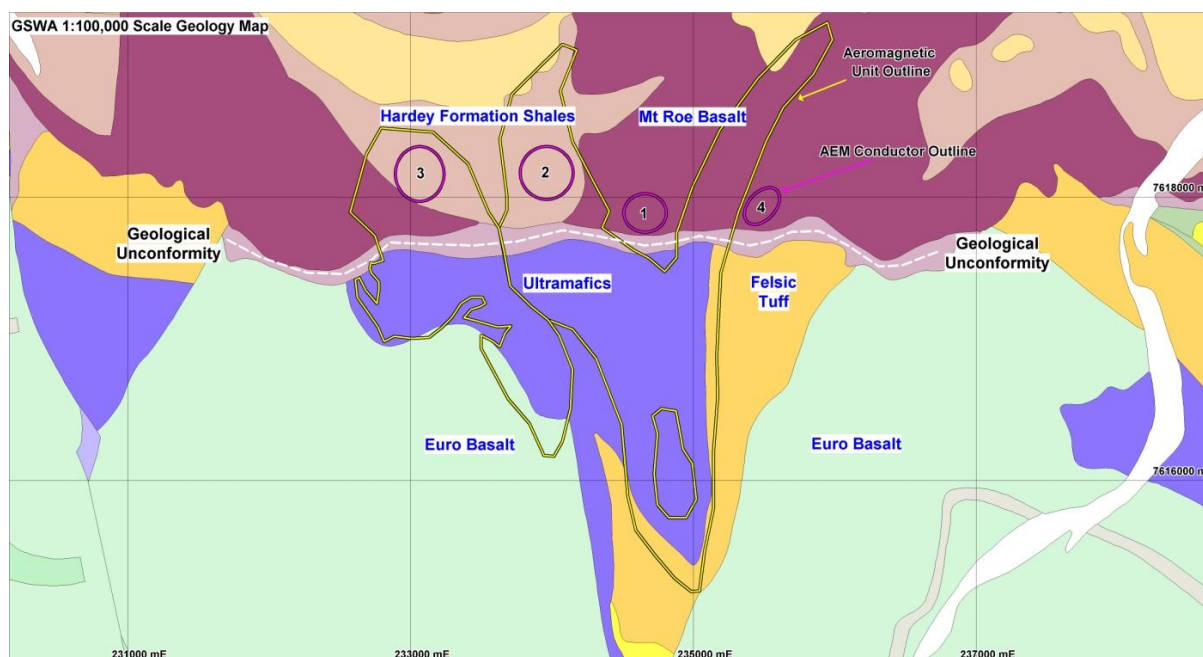


Figure 2:

VTEM B-Field Channel 30 conductors (red outlines) are located under basalt and shales

A helicopter-supported field reconnaissance program has commenced on 14 November 2012. The program has been designed primarily to follow up the four AEM conductors at the Cyclops Prospect shown in Figure 2 above and is being conducted by senior consulting geologists, Grant Donnes and George Merhi. A report should be available in December.

A 100m line spaced airborne electromagnetic (AEM) survey using the VTEM helicopter system has previously been flown for the Company over E45/3326 to detect conductors which are potentially related to base metals sulphide mineralisation.

The four conductors shown in Figure 2 are located beneath outcropping Mt Roe Basalt and Hardey Formation shales. After field inspection of these targets, the Company plans to plate model the AEM conductors and design 3D drill holes to intersect conductors following the wet season in 2013.

Gobbo's Copper-Molybdenum Prospect

The easternmost exploration tenement E45/3326 contains the Gobbo's project 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 in detail, with an RC drill program to be formulated to drill test the demagnetised zone outlined from the detailed aeromagnetic survey previously completed by the Company.

Red Rock Bore, Horse Well, Mt Padbury, Horse Well South, Uranium Prospects (E08/1968, E08/2049, E08/1966-7, ELA08/2410 - Gondwana 100%)

A radiation management plan and POW have been submitted and a 1,000m reverse circulation drilling program will be commenced at Red Rock Bore as soon as approval is received. A heritage survey over the proposed drill sites has already been completed.

These five tenements have been combined into a contiguous block covering 441km² (see Figure 3 below). The most prospective is Red Rock Bore where airborne radiometric anomalies are associated with a uraniferous granite at or adjacent to a Lower Proterozoic unconformity. Two sampling campaigns confirm surficial uranium anomalism attributed to supergene enrichment.

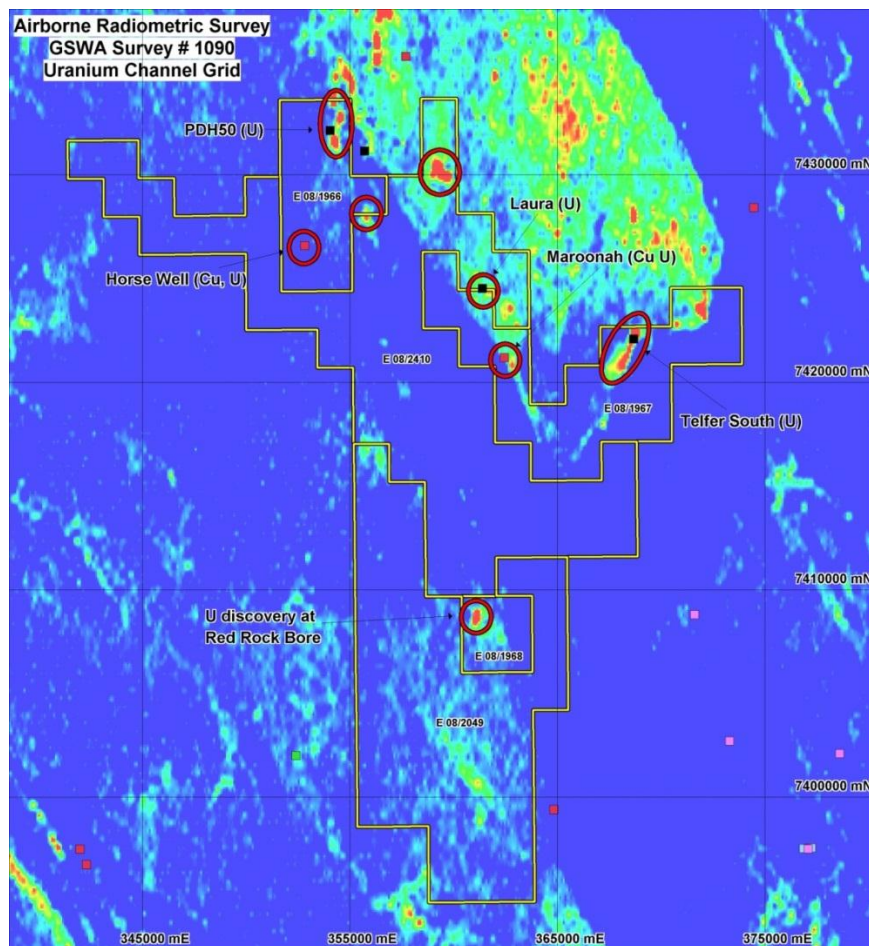


Figure 4: Prospects identified by airborne radiometric survey circled in red

The Red Rock Bore exploration licence is located on Maroonah station, 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. Field investigations were carried out by the Company's uranium-specialist geologist, Syd Morete, and included footborne scintillometry and rock chip sampling. The strongest ground radiometric anomaly was located on top of the inselberg, where rock chip sample 09RRRK003 returned 946ppm uranium and 15ppm thorium (U:Th=63), located at 361153mE-7408776mN (MGA Zone 50). This result suggests the presence of uraninite.

Corporate

The Company's strategy for 2013 is broadly to reduce the number of exploration tenements held in the Parker Range, Gascoyne, Ashburton and Pilbara regions by farm-out or sale and focus on a small number of superior exploration targets. At the same time, under the supervision of Greg Robinson, studies will be completed for the Parker Range Gold Project with a view to commencing production in early 2013, if feasible.

Finally, upon the completion of fund raising exercises including a placement and pro rata entitlement issue to shareholders to follow the consolidation of share capital (if approved), the Company will seek to identify new, potential "company-maker" mineral projects for investment.

Investment

In the context of the above strategy, the Company has entered into a Convertible Loan Agreement with Amazon Resources Limited (**ARL**), a potash explorer with exploration licences and applications in the Amazon basin, Brazil, and the Canning Basin, WA. Pursuant to the Agreement, the Company has agreed to advance \$400,000 to ARL, of which \$250,000 has already been advanced. Principal terms of the Agreement are –

- The loan is convertible to ordinary shares in ARL at a price of 10 cents per share.
- Each share will have an option attached exercisable by 30 June 2016 at 20 cents each.
- If not converted to shares, the loan is repayable by 31 March 2013.
- The loan is unsecured.
- A fee equal to 5% of total advance is payable to the Company and no interest is payable unless the loan is not repaid by the maturity date, from which date interest accrues at 10% pa.
- The right to convert the loan to shares is conditional on the Company's relevant interest in ARL not exceeding 20% of ARL's capital without ARL shareholder approval.

Based on full conversion of the loan and fee, a total of 4,200,000 shares in ARL would be issued to the Company equating to approximately 11.5% of the issued capital in ARL (assuming ARL does not issue any further shares).

Prior to any decision to convert the loan to shares in ARL, the Company plans to investigate the possibility of a bid for all of the capital of ARL. ARL has an excellent portfolio of potash prospects, including some of the shallowest salt layers in the Amazon Basin. Its prospects are well located in proximity to river transport, port, water and power.

Two members of the Company's Board, Warren Beckwith and Steven Pynt, are also directors of ARL and have a material financial interest in ARL. Warren Beckwith has an interest in approximately 9% of the issued capital in ARL through an entity he controls and Steven Pynt has an interest in approximately 5.3% of the issued capital in ARL through an entity he controls. In addition, Warren Beckwith and Steven Pynt also have a further interest in ARL through shareholdings in a separate entity (26.8% and 15.45% respectively) which holds approximately 3.8% of the issued capital in ARL.

Contact

For further information phone Grant Donnes or Alana Da Silva on (08) 9388 9961, email info@gondwanaresources.com or visit the Company's website at www.gondwanaresources.com.



Paul Goodsall
Director/Company Secretary

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 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.

APPENDIX

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.