

11 August 2014

ASX Announcements Platform
asxonline.com

Dear Sir/Madam

RECEIPT OF ADDITIONAL INDICATIVE BID PROPOSAL

Gondwana Resources Limited (**Gondwana**) announces that it received on Friday 8 August 2014 an indicative, non-binding and conditional proposal to acquire the shares in Gondwana (**Indicative Proposal**).

The Indicative Proposal contemplates an offer which "*would be structured as a cash offer with a scrip alternative*". The price per share which the bidder may ultimately offer has not been determined; however, the Indicative Proposal contemplates a floor price of 10 cents per share, which is in excess of that offered by Ochre Industries Pty Ltd pursuant to their bid for Gondwana. The identity of the proposed bidder is not known at this time; however, the Indicative Proposal has been introduced by a reputable Australian financial intermediary and, although their identity is subject to confidentiality, Gondwana's limited due diligence enquiries have satisfied the Company that the financial intermediary is of good standing and reputation.

The Indicative Proposal is expressly subject to due diligence and certain other conditions yet to be finalised, although the Indicative Proposal states that the bidder would seek to impose as few conditions to any eventuating offer as possible. The board of directors of Gondwana has therefore determined that it is in the best interests of the shareholders to facilitate the carrying out of a due diligence process by the potential bidder which will commence later this week. Gondwana will update the market as soon as further material information is available.

In the event of any queries, please contact Paul Goodsall on (08) 9364 7414 or Warren Beckwith on 0419 838 839.

Yours faithfully



Warren Beckwith
Director

GONDWANA RESOURCES LIMITED