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ANNOUNCEMENT

29 OCTOBER 2007

ACQUISITION OF COAL OF AFRICA

The Company wishes to advise that an additional £10 million has now been paid as part of the £35.5 million payable to acquire a 70% interest in Coal of Africa ("CoAL").

In consideration for the £21.5 million already paid in relation to the acquisition, as previously announced, the first stage of the acquisition has been completed and the Company has been issued 93 shares in CoAL, representing 46.6% of the entire issued capital of CoAL. Further, and as a result, the Company has also today allotted and issued 8,888,888 shares owed in part consideration for the acquisition.

CoAL is a South African company that owns the Mooiplaats Coal Project and surrounding New Order prospecting rights. The properties owned by CoAL are located within 2 kilometres of the Camden Power Station near Ermelo and are beside the main rail line to the Richards Bay export coal terminal. Interim drill results to date have already delineated a JORC compliant Measured Resource of 43 million tonnes and an Inferred Resource of a further 240 million tonnes.

Transfer to the Company of the remaining 47 shares required to complete the second stage of the acquisition of a 70% interest in CoAL will take place upon satisfaction of outstanding conditions precedent, at which time the Company will make the final payments of £10 million in cash and issue 4,444,445 shares due under the relevant acquisition agreements.

Simon Farrell, Managing Director of GVM, today commented "The completion of the first stage of the CoAL acquisition is an important milestone for GVM as it further progresses the Company's objectives of commencing coal mining operations in South Africa in the second half of 2008. Drilling and engineering studies are progressing well, with the Company anticipating a development decision before the end of this calendar year, subject to regulatory consents."

An Appendix 3B – “New Issue Announcement” will be made under separate cover, together with a section 708 Cleansing Notice.

Authorised by

SIMON J FARRELL
Managing Director

Notes:

The information in this report as it relates to the geology, geochemistry and geophysics, regarding Mooiplaats, has been prepared by Grant van Heerden. Grant van Heerden has more than five years of experience in estimation, assessment of, and evaluation of Mineral Resources and Ore Reserves which are relevant to the style of mineralization under consideration. Grant van Heerden is a Senior Coal Geologist with SRK Consulting. Grant van Heerden has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and activities herein reported, 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' and Part two of the AIM Guidance Notes for Mining, Oil and Gas Companies. Grant van Heerden consents to the inclusion in this report of such information in the form and context in which it appears.

For more information contact:

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