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ANNOUNCEMENT **28 November 2007**

GVM METALS LTD
("GVM" or the "Company")

PROJECT UPDATES

Since the last trading update released on 10 September 2007, the Company is pleased to announce that significant progress has been made towards the development of the Company's coal projects in South Africa. An update on work in progress and of that planned on each project is set out below:

Baobab (Soutpansberg Coalfield)

Gemecs (Pty) Limited ("Gemecs"), the Competent Person, have completed an initial geological evaluation of the Tanga and Fripp properties based on the data obtained from Exxaro Limited. They have also completed a conceptual mine plan. The Competent Person has completed a Fripp & Tanga Resource Statement which is available on the Company's website. The results are as follows:

	Million Tonnes
Measured	39.7
Indicated	44.0
Inferred	263.0
Reconnaissance*	366.4
TOTAL	**713.1**

Within this total resource, the Competent Person has identified potential opencast resources of 156 million tonnes in the following categories:

	Million Tonnes
Measured	39.7
Indicated	43.0
Inferred	66.4
Reconnaissance*	7.3
TOTAL	**156.4**

*Reconnaissance coal resource is defined in SAMREC (SANS10320 ed 1) at 6.3.3.1: "A reconnaissance coal resource (see 3.25.1) is quantified by a minimum of one cored borehole with coal quality data per 400 ha (approximately 2 km spacing) for multiple seam deposit types, while for thick interbedded seam deposit types a reconnaissance coal resource is quantified by a minimum of one cored borehole with coal quality data per 1 600 ha (approximately 4 km spacing)."

The Company will now lodge an amendment to the existing prospecting right to allow for bulk-sampling, mining right application, conceptual feasibility study and infill drilling starting in early 2008.
GVM will utilise additional exploration information from Exxaro to determine the potential resources at the other properties comprising the Baobab Project where the boreholes have been drilled and in parallel will commence exploration of the other properties in early 2008.

GVM appointed East Coast Maritime (Pty) Ltd (ECM) to undertake a pre-feasibility study to determine the logistics requirements needed to transport coking coal from the Thuli and Baobab projects in the Limpopo Province. The intent is to ultimately export 10 million tonnes per annum (Mtpa) in total from both projects. It is envisaged that 3 Mtpa will be exported from Thuli, and 7 Mtpa from the various Baobab properties.

The study completed by ECM encompassed the following:

- Existing railway network/s and railway capacity – the study reviewed current rail infrastructure and operations which included perway and signaling, train control, gradients, structures and rolling stock in terms of wagons and locomotives.
- Conceptual route determination for a new private siding/s linking Spoornet's network with a rapid coal loading facility at the Thuli and Baobab plants – 3 proposals have been selected:
    - Thuli Link – 55km of new rail line up to Mussina;
    - Baobab Link – 15km of new rail line to link to main line; and
    - Mopani Balloon – 3km circular siding at the town of Mopani.

      The report proposes design parameters for the railway lines, and suitable yard layouts at the plant for loading of trains.
- Environmental Pre-Feasibility – The report includes a review of the legislative setting, pre-development, project activities and environmental issues related to the 3 selected sidings. During the next phase of investigations landowner requirements, mineral rights, underground mining activities and acceptance and approval conditions imposed by various authorities are to be undertaken;
- Technical evaluation of alternative routes to Matola (TCM) in Maputo in Mozambique and 2 route options to Richards Bay. Rail distance, single or multiple line, ruling gradient, axle loading, traction, operational methodology and existing train crossing facilities were analysed to identify routes 1 (1275km) and route 4 (734km) as optimal from a shortlist of 4 alternative routes.
- Review of the port infrastructure at:
    - TCM – Maputo, Dry Bulk Terminal;
    - Richards Bay Dry Bulk Terminal; and
    - Richards Bay Coal Terminal.

      The current operations of the Ports were examined including tippler capability, stock-piling, ship loading performance, and Port, Berth and Draft restrictions.

A Cooperation Agreement is being developed with Transnet Freight Rail which is in the process of finalization. The term of agreement is that Transnet Freight Rail will assist GVM to acquire

freight rights based on production of 1.5 million tonnes in 2009, 4-5 million tonnes in 2010 and 2011, and 10 million tonnes in 2012.

Mooiplaats

The infill drill program has now been completed on the Mooiplaats, Klipbank and Adrianople farms which collectively comprise approximately two thirds of the granted mining and prospecting rights and less than one third of the total area both granted and under application.

Competent Persons SRK have provided an interim Coal Resource and Coal Reserve Estimate as follows:

	GTIS*(mt)	SAMREC	Geological Loss	Model Loss	Layout Loss	MTIS** (Reserves)
Mooiplaats	25.7	Measured	10%	2%	15%	19.3
Klipbank	48.8	Measured	10%	2%	15%	36.6
Adrianople	28.8	Measured / Inferred	15%	3%	15%	20.2
	103.3					76.1

**GTIS – Gross Tonnes in Situ (Resources) **MTIS – Mineable Tonnes in Situ (Reserves)*

The first proposal has been received from potential mining contractors. Based on this proposal, the Company is confident that mining costs will be in the projected range of ZAR 90-100 per tonne of Run of Mine (ROM) Coal. Washing and de-stoning estimated costs remain in the range of ZAR 20-25 per tonne.

The original plan was to provide principally ROM coal to Eskom, but with the rapid escalation of prices at Richards Bay Coal Terminal (RBCT), it is now planned to wash all the coal to produce an export fraction (75%) and a domestic thermal fraction (25%). FOB cost RBCT is expected to be of the order of USD 35-40 per tonne.

The production plan is to commence operations in Q3 2008 with a 18-24 month ramp up to final planned levels of phase 1 of 4.5 million tonnes of export and 1.5 million tones of domestic thermal. Expansion of production beyond this level will depend on exploration results to be conducted in 2008.

Thuli (Limpopo Coal Field)

GVM have commenced with the exploration activities at the Thuli project to confirm the potential qualities resource and structure with intention of developing an indicated resource early in the third quarter of 2008. This will be followed by a mining right application, conceptual feasibility study and infill drilling. Currently Thuli has a JORC compliant inferred resource of 352 million tonnes and it is expected that this will be significantly expanded.

Holfontein & Wilderbeesfontein

The Mining Right Application is underway with approval expected from the Department of Mineral and Energy (DME) by the third quarter of 2008. Subject to permitting from the DME, the Company expects mine development / production to commence in late 2008. The

Environmental Impact Assessment (EIA) / Environmental Management Plan (EMP) is also in progress with completion expected in the 1st Quarter of 2008 for submittal to the DME.

The Company intends to develop Holfontein and the adjacent Wilderbeesfontein as a single bloc. Drilling to bring the latter into a measured resource will commence during the first quarter 2008. To ensure contiguity with Wilderbeesfontein, it is also expected that further exploration drilling on Holfontein will commence early in 2008. This is to re-confirm the major dykes and sills and ensure that structural interpretation on both properties is consistent.

The formal agreement enabling GVM to commence prospecting work on the Wildebeesfontein prospect consisting of 550 ha contiguous with GVM's Holfontein coal project has been signed.

Dependent on the availability of drill rigs, GVM management expect drilling on this project to commence towards the end of the first quarter of 2008. The project acquisition price will be based on the mineable coal in terms of JORC/ SAMREC codes. The project acquisition price of US$0.50 per ton In-Situ coal will be determined for seam 4 and seam 5 coal with widths greater than 1.4 metres and seam 4 coal with a Calorific Value exceeding 23MJ/kg.

Tshikunda Project

The Heads of Agreement for the acquisition of the 32,000 ha prospect in the Pafuri coal field in Limpopo has been converted into formal agreements which GVM management expect to complete by the end of November 2007. The Section 11 application to the Department of Minerals and Energy for GVM's acquisition of 60% of Tshikunda Mining (Pty) Ltd, the company owning the Tshikunda Prospecting Rights, was submitted during the third quarter.

Exploration on the project in the form of an Aeromagnetic study is expected to commence in the fourth quarter of the 2008 financial year.

Sekoko Project

GVM have agreed to acquire an additional 7,000 ha in the Soutpansberg coal field pending the satisfaction of suspensive conditions. The six farms constituting the Sekoko project are located in the vicinity of GVM's Baobab coal project in the Makhado district of the Limpopo province. The acquisition of 74% of the Sekoko coal project for R55 million will be formalised in the second quarter of the current financial year, with the Section 11 application following soon thereafter. Exploration on the project will commence once the Section 11 approval for the transaction from the Department of Minerals and Energy has been granted.

The Salaita and Telema properties lie on the same coal body as that at Fripp and Tanga and it is believed that the resources identified on Fripp and Tanga will be replicated.

Managing Director, Simon Farrell, said "clearly we are building up a very substantial resource base and following recent capital raisings of some AUD 120 million we are well placed to fast track development of our Baobab and Mooiplaats projects. We are confident of resolving the various infrastructure issues in the near future and with rapidly increasing coal prices, the Company's prospects are very, very exciting."

Authorised by

SIMON J FARRELL
Managing Director

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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.

The information in this report as it relates to geology of the Baobab Project was overseen by J C Sparrow a Director of Gemecs (Pty) Ltd. Mr Sparrow is a member of the South African Council for Natural Scientific Professions (400109/03), with a BSc (Univ. of Natal), BSc Hons Geology. (Univ. of Johannesburg) and a Chamber of Mines certificate in Rock Mechanics and qualifies as a competent person in the field of activity being reported on and consents to the inclusion of this information in the form and context in which it appears in this report.

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Statement on GVM Metals Limited Baobab Project – Fripp and Tanga Concessions.

Introduction

GVM Metals Limited has a number of Prospecting permits in the northern areas of the Limpopo Province of South Africa.
An Initial evaluation of the borehole information provided to GVM Metal Limited by Exxaro Resources (Pty) Ltd., at the beginning of November 2007 with respect to the region contained within and adjacent to the Fripp and Tanga properties has been completed.

Locality and general geology

The Soutpansberg Coalfield is situated some 30kms to the north of Makhado (Louis Trichardt) in the Limpopo Province of South Africa. The Coalfield is divided into three sub basins named from South to North as Waterpoort, Mopani and Sandriver sub-basins. The sub-basins are fault bounded remnants of the Karoo sequence (late Permian and early Triassic) sediments and volcanics.

Main Karoo Basin Formation Name	Soutpansberg Formation Names
Lower Beaufort Group (Normandine Fm.)	Fripp Fm.
Upper Ecca Group (Volksrust Fm.)	Mikambeni Fm.
Middle Ecca Group (Vryheid Fm.)	Madzaringwe Fm. (Coal bearing)
Lower Ecca Group (Pietermaritzburg Fm.)	Tshidzi Fm.

The coal bearing formation in the area is the Madzaringwe Formation which is a very thick sequence of carbonaceous siltstone, mudstone and coal. Predominantly the coal in the areas is bright coal with high vitrinite content. The full Madzaringwe formation is in the order of 40m in thickness on the prospect farms. The total current selection of broad coal bearing horizons is on average 30m.

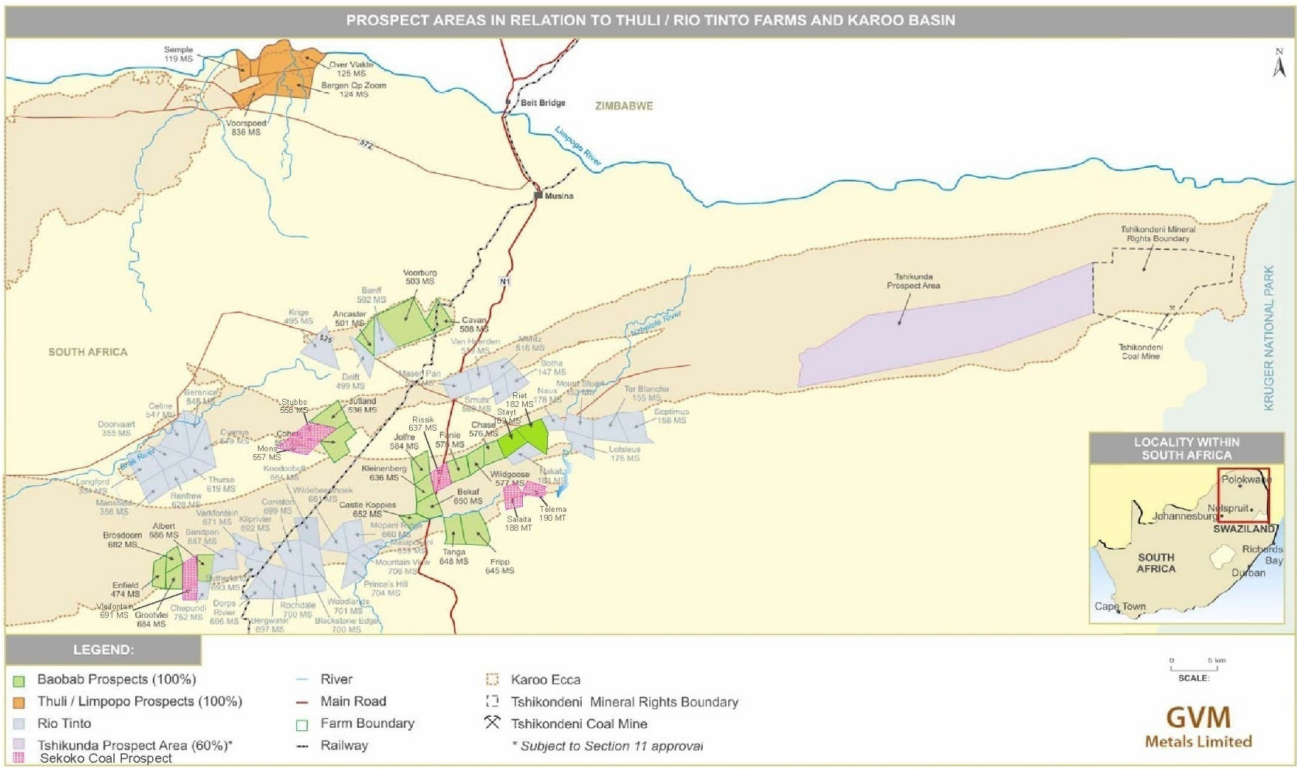

Figure 1, Locality of the project area

Borehole Information

Proof of coal occurrence and continuity, is provided by the 378 boreholes drilled on or adjacent to the two Farms Fripp 645MS and Tanga 648MS, by Iscor Resources (now Exxaro Resources) in the 1970's and 1980's.

In addition to these boreholes GVM Metals has drilled some 25 boreholes to partly validate the information provided by Exxaro Resources. The occurrence of the coal is further substantiated by the presence of a 500m long "Boxcut" on the farm Fripp 645MS. The Boxcut was utilised by Iscor to evaluate a bulk sample of the coal and to attempt trial mining on the coal.

Analysis of the borehole and sampling data allowed the initial determination of three principle coal horizons, an Upper, Middle and Lower. These coal horizons are based on the mass percentage of coal from the sampling. This has resulted in a very consistent correlation of the stratigraphy over the whole property. At this stage of the project this is still a broad based correlation that would require more detailed work to refine the potential mining horizons.

The locality of the boreholes are indicated on the following figure:

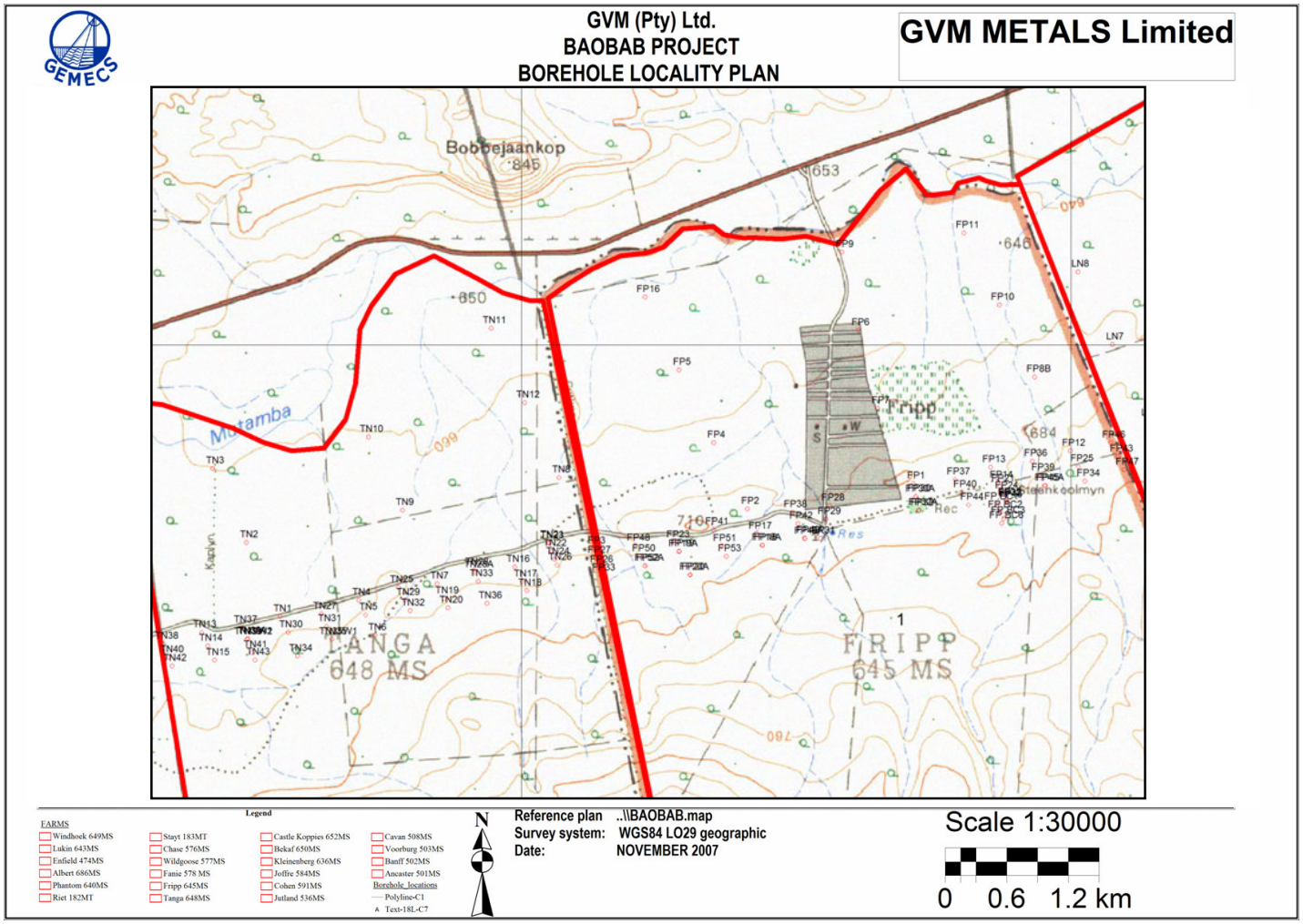

Figure 2. Borehole locality plan in relation to the prospect farms

The basic statistics for the coal horizons from the borehole dataset is as follows:

Coal Horizon	Depth to top of seam (m)			Seam width (m)			No. of boreholes
	Average	Min	Max	Average	Min	Max	
Upper	87.59	18.05	593.09	13.15	3.59	19.47	207
Middle	99.98	19.02	617.19	12.72	4.25	19.04	227
Lower	89.32	26.36	578.53	3.63	0.94	6.72	207

Geological Modelling and Concept Mine Planning

Preliminary geological Modelling has been undertaken in the Gemcom software's "Minex's Horizon" geological modelling software. The concept mine planning has been done In "Minex's Apollo" mine design and scheduling software.

Coal Quality

The coal qualities are currently in the process of being validated. This process is expected to take a month or so. In general a float and sink analysis has been performed on the coal of each sample, at the following float relative densities:
1.40,1.50,1.60,1.70,1.80,and Raw
A resultant composited wash table for each of the coal seams for each of the farms is indicated below:

GVM Metals Limited									
Fripp and Tanga Coal Washability									
Farm	seam	Float	Yield % (ad)	Ash % (ad)	Volatile Matter % (ad)	Inherent Moisture % (ad)	Total Sulphur % (ad)	Free Swelling Index	Roga Index
Fripp 645MS	Upper	1.40	5.98	9.9	28.1	0.4	1.14	9.1	89.5
Fripp 645MS	Upper	1.50	10.56	15.8	26.7	0.4	1.10	8.8	86.1
Fripp 645MS	Upper	1.60	14.25	19.7	25.7	0.4	1.08	8.5	71.4
Fripp 645MS	Upper	1.70	18.82	20.6	28.8	0.3	1.29	9.5	66.9
Fripp 645MS	Upper	1.80	23.29	27.5	23.7	0.3	0.72	5.2	40.7
Fripp 645MS	Upper	raw	100.00	63.8	13.3	1.6	1.70	1.2	9.4
Fripp 645MS	Middle	1.40	9.29	9.5	27.2	0.4	1.01	9.2	87.2
Fripp 645MS	Middle	1.50	14.89	13.9	26.2	0.4	1.00	8.9	83.4
Fripp 645MS	Middle	1.60	19.47	17.3	25.5	0.4	0.98	8.5	71.3
Fripp 645MS	Middle	1.70	20.10	17.3	26.8	0.4	1.10	7.3	56.5
Fripp 645MS	Middle	1.80	29.41	25.5	23.9	0.4	0.68	5.6	42.9
Fripp 645MS	Middle	raw	100.00	60.4	14.1	1.5	1.60	1.6	12.6
Fripp 645MS	Lower	1.40	8.64	8.9	26.9	0.5	0.97	8.5	79.5
Fripp 645MS	Lower	1.50	12.81	12.2	26.2	0.5	0.94	8.0	75.7
Fripp 645MS	Lower	1.60	15.44	14.9	25.7	0.6	0.92	7.5	63.6
Fripp 645MS	Lower	1.70	25.24	17.8	26.0	0.4	0.89	7.6	54.1
Fripp 645MS	Lower	1.80	24.33	25.0	23.9	0.5	0.64	5.2	43.2
Fripp 645MS	Lower	raw	100.00	62.8	13.4	1.6	1.66	1.3	10.6
Tanga 648MS	Upper	1.40	5.33	9.8	25.8	0.4	1.23	8.6	87.7
Tanga 648MS	Upper	1.50	11.15	16.4	24.3	0.4	1.06	8.2	83.1
Tanga 648MS	Upper	1.60	15.52	20.2	23.1	0.4	1.03	7.8	72.0
Tanga 648MS	Upper	1.70	20.20	21.8	25.6	0.4	0.78	6.3	49.0
Tanga 648MS	Upper	1.80	23.86	27.1	22.0	0.4	0.71	4.2	30.8
Tanga 648MS	Upper	raw	100.00	63.7	13.0	1.6	1.68	1.0	7.4
Tanga 648MS	Middle	1.40	8.36	9.8	26.7	0.4	0.96	8.6	86.7
Tanga 648MS	Middle	1.50	13.52	14.1	25.4	0.4	0.85	8.2	83.0
Tanga 648MS	Middle	1.60	17.10	17.0	24.5	0.5	0.80	7.9	76.1
Tanga 648MS	Middle	1.70	20.06	17.1	25.2	0.5	0.49	5.7	48.1
Tanga 648MS	Middle	1.80	25.12	25.1	23.4	0.4	0.53	4.6	36.9
Tanga 648MS	Middle	raw	100.00	62.0	13.6	1.6	1.61	1.3	10.6
Tanga 648MS	Lower	1.40	7.17	9.3	27.6	0.5	0.89	8.6	79.3
Tanga 648MS	Lower	1.50	12.14	13.3	26.8	0.5	0.75	8.1	74.9
Tanga 648MS	Lower	1.60	15.34	16.4	26.0	0.5	0.69	7.3	59.9
Tanga 648MS	Lower	1.70	23.55	18.4	26.3	0.4	0.51	6.9	49.3
Tanga 648MS	Lower	1.80	25.05	26.5	24.3	0.4	0.44	4.9	39.1
Tanga 648MS	Lower	raw	100.00	63.0	13.5	1.6	1.61	1.2	9.7

It should be noted that these washtables are for the broad coal horizon selections and will change once more defined selections are determined.

Geological structure.

The strata dips to the North at approximately 8° to 12°. There is a dolerite sill that is predominantly located below the Madzaringwe Formation, in two areas of the project area the sill cross cuts the coal and results in the dolerite being located above the coal. It is apparent from the “boxcut” That small scale faulting is a feature of the deposit and this faulting rarely has throws of more than a couple of metres. However as the major boundary faults are approached, large scale faults are encountered. These faults have in places resulted in duplication of the coal horizons.

Concept Mine Design and Scheduling

The concept Mine design and scheduling has taken into account a potential contribution model based on the expected revenue and cost. This contribution model has been used to define the potential opencast pit limits and also to attempt to determine Boxcut positions, and potential spoils relief at the termination of mining. This concept mine plan is expected to change as optimization of the pit and mining horizons is investigated during the pre-feasibility and feasibility studies.

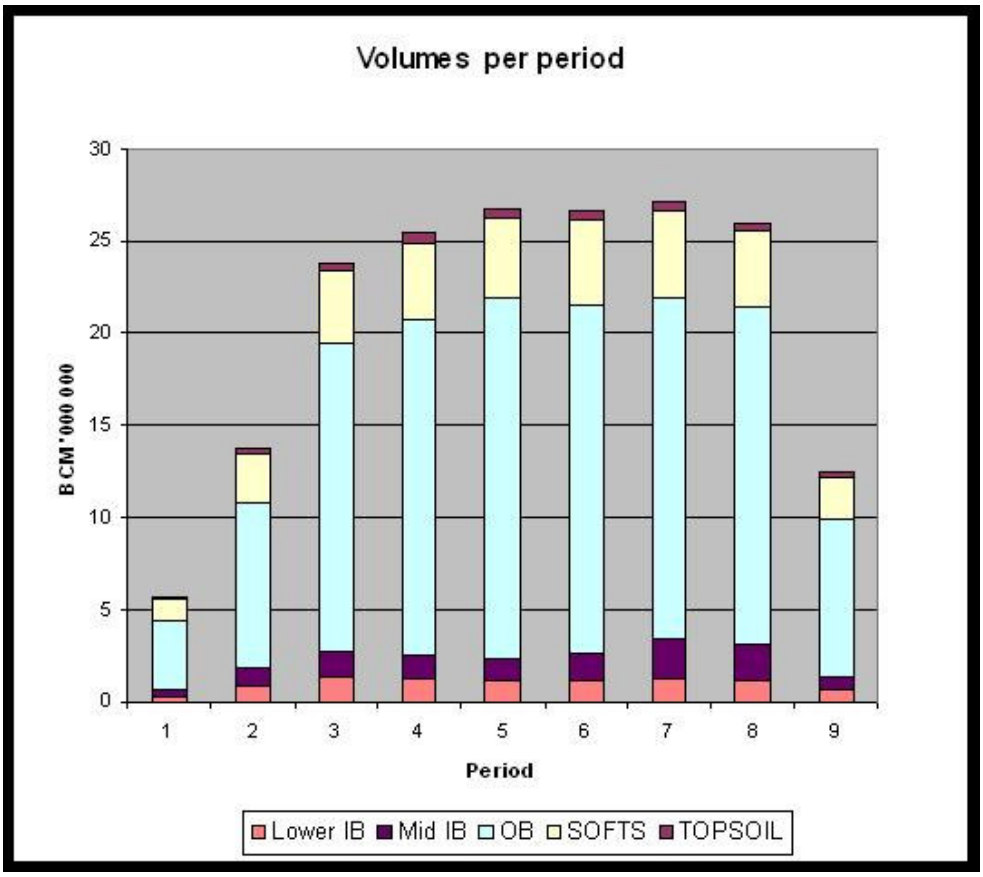

Figure 3. Concept Life of Mine Schedule Volumes.

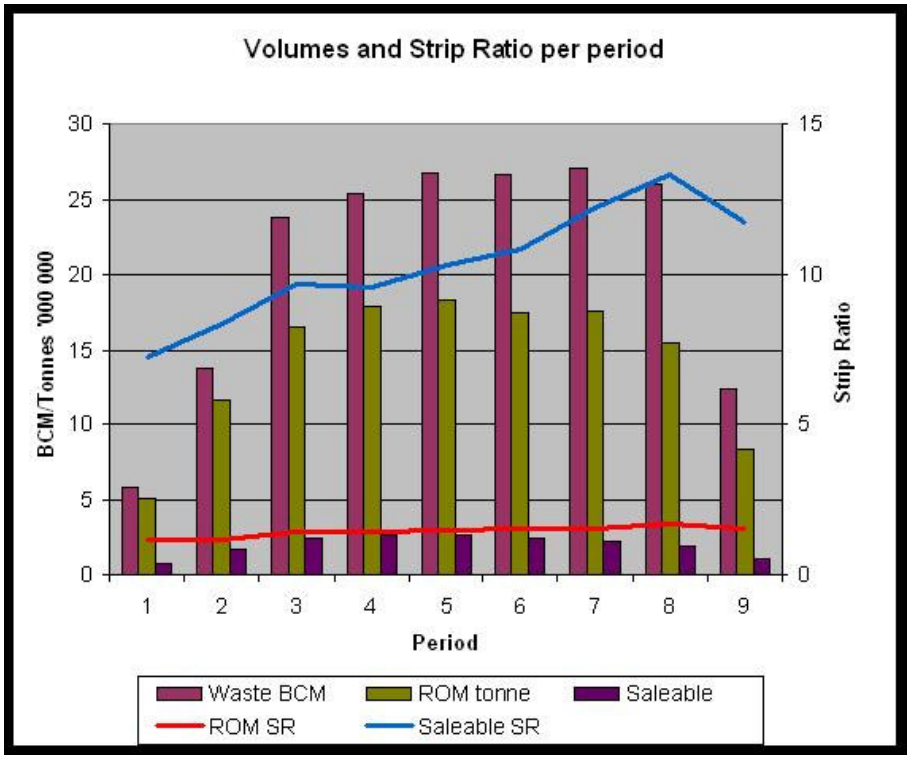

Figure 4. Concept Life of Mine Volumes and strip Ratios.

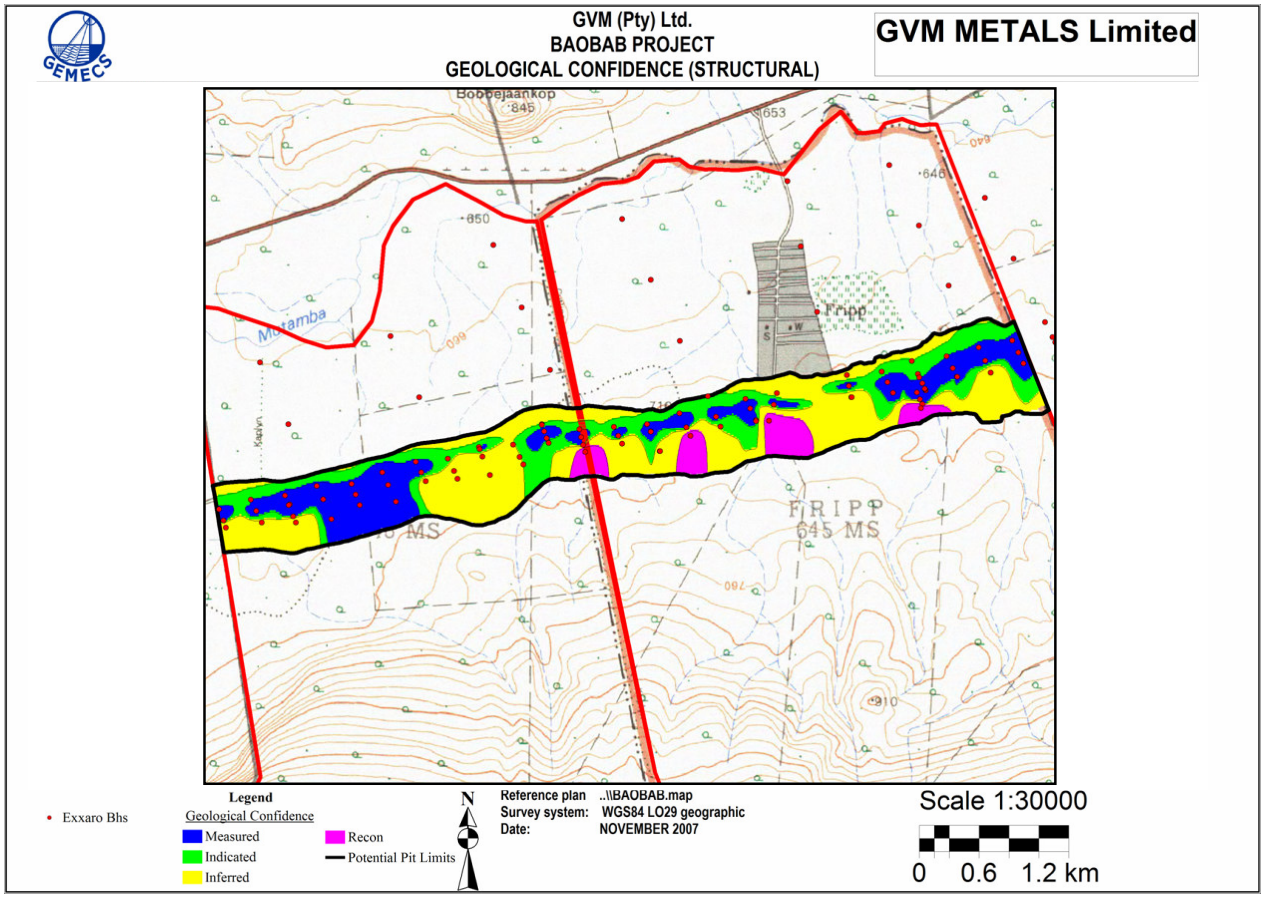

Figure 5 . Geological Confidence Classification (SANS 10320 ed 1)

Resource Statement on the entire Prospect area

GVM Metals Limited

Total Indicative Resources on the two farms

Fripp 645 MS

										all material washed at a 1.50 cut RD							
Block	Block area (ha)	Class	Coal Horizon	Coal Area	Coal Volume	INSITU TONNES	SEAM THICK	Raw RD	Coal %	Gross Yield %	Coal Yield %	Ash Content	Inherent Moisture	Volatile matter	Swelling Index	Roga Index	Waste Thickness
Fripp_64	1900.83	MEA	SU	322,864	3,752,954	7,092,778	11.62	1.89	27.83	14.32	51.46%	15.7	0.5	28.0	8	69	47
Fripp_64	1900.83	IND	SU	466,744	5,374,844	10,146,564	11.52	1.89	28.72	14.49	50.45%	15.8	0.4	28.9	8	75	56
Fripp_64	1900.83	INF	SU	2,223,973	27,181,418	51,876,528	12.22	1.91	27.28	12.35	45.27%	16.2	0.5	28.0	9	82	136
Fripp_64	1900.83	REC	SU	3,583,738	50,292,772	98,586,640	14.03	1.96	20.88	8.84	42.34%	15.6	0.4	25.6	9	91	360
Total Upper	**1900.83**			**6,597,319**	**86,601,988**	**167,702,510**	**13.12**	**1.94**	**23.63**	**10.50**	**44.44%**	**15.8**	**0.4**	**26.7**	**9**	**86**	**259**
Fripp_64	1900.83	MEA	SM	328,864	4,580,079	8,834,201	13.93	1.93	23.81	13.92	58.46%	13.4	0.4	28.5	9	83	5
Fripp_64	1900.83	IND	SM	494,080	6,863,089	13,173,862	13.89	1.92	24.65	14.34	58.17%	13.4	0.4	28.7	9	83	5
Fripp_64	1900.83	INF	SM	2,437,178	34,255,520	65,156,916	14.06	1.90	26.59	14.62	54.98%	13.7	0.4	27.6	9	83	7
Fripp_64	1900.83	REC	SM	3,675,258	56,313,912	103,701,456	15.32	1.84	32.07	15.16	47.27%	14.1	0.4	24.9	9	84	8
Total Middle	**1900.83**			**6,935,380**	**102,012,600**	**190,866,435**	**14.71**	**1.87**	**29.30**	**14.86**	**50.71%**	**13.9**	**0.4**	**26.2**	**9**	**83**	**7**
Fripp_64	1900.83	MEA	SL	329,764	1,105,184	2,103,726	3.35	1.90	25.17	14.51	57.65%	12.5	0.5	28.8	9	80	2
Fripp_64	1900.83	IND	SL	494,080	1,580,395	3,008,426	3.20	1.90	25.46	14.42	56.64%	12.5	0.5	28.8	9	80	3
Fripp_64	1900.83	INF	SL	2,515,478	7,909,675	15,486,138	3.14	1.96	22.86	12.23	53.50%	12.7	0.5	27.2	8	77	3
Fripp_64	1900.83	REC	SL	3,714,438	9,556,254	18,737,620	2.57	1.96	27.10	12.33	45.50%	11.7	0.6	24.5	8	73	3
Total Lower	**1900.83**			**7,053,760**	**20,151,508**	**39,335,910**	**2.85**	**1.95**	**25.20**	**12.57**	**49.87%**	**12.2**	**0.5**	**26.1**	**8**	**76**	**3**
Grand Total	**1900.83**			**20,586,459**	**208,766,096**	**397,904,855**	**30.69**	**1.91**	**26.51**	**12.80**	**48.28%**	**14.5**	**0.4**	**26.4**	**9**	**84**	**269**

Tanga 648 MS

										all material washed at a 1.50 cut RD							
Block	Block area (ha)	Class	Coal Horizon	Coal Area	Coal Volume	INSITU TONNES	SEAM THICK	Raw RD	Coal %	Gross Yield %	Coal Yield %	Ash Content	Inherent Moisture	Volatile matter	Swelling Index	Roga Index	Waste Thickness
Tanga_64	1287.36	MEA	SU	411,116	5,036,535	9,635,858	12.25	1.91	29.40	13.64	46.39%	16.6	0.7	27.1	8	74	50
Tanga_64	1287.36	IND	SU	330,236	4,162,288	7,943,410	12.60	1.91	28.69	13.52	47.12%	16.7	0.6	27.6	8	73	65
Tanga_64	1287.36	INF	SU	2,130,583	27,228,280	52,457,328	12.78	1.93	26.67	12.45	46.68%	16.3	0.5	25.3	8	80	159
Tanga_64	1287.36	REC	SU	2,102,679	30,359,400	59,534,008	14.44	1.96	19.91	9.17	46.06%	16.4	0.3	22.4	8	89	390
Total Upper	**1287.36**			**4,974,614**	**66,786,503**	**129,570,604**	**13.43**	**1.94**	**23.89**	**11.10**	**46.45%**	**16.4**	**0.4**	**24.2**	**8**	**83**	**251**
Tanga_64	1287.36	MEA	SM	457,716	5,004,086	9,585,271	10.93	1.92	29.86	16.32	54.66%	14.2	0.6	30.0	9	82	4
Tanga_64	1287.36	IND	SM	355,336	4,162,811	7,993,005	11.72	1.92	26.94	15.02	55.75%	14.1	0.6	28.1	8	73	4
Tanga_64	1287.36	INF	SM	2,251,591	33,004,600	64,463,656	14.66	1.95	26.17	13.39	51.17%	13.9	0.5	26.2	8	76	4
Tanga_64	1287.36	REC	SM	2,117,159	37,563,120	73,310,392	17.74	1.95	26.73	12.81	47.92%	14.2	0.3	23.7	8	90	4
Total Middle	**1287.36**			**5,181,802**	**79,734,617**	**155,352,324**	**15.39**	**1.95**	**26.70**	**13.38**	**50.11%**	**14.1**	**0.4**	**25.3**	**8**	**83**	**4**
Tanga_64	1287.36	MEA	SL	478,116	1,249,798	2,427,505	2.61	1.94	25.79	12.01	46.57%	12.6	0.6	30.4	9	79	3
Tanga_64	1287.36	IND	SL	365,936	920,200	1,769,200	2.51	1.92	25.69	11.73	45.66%	12.5	0.6	27.8	7	67	3
Tanga_64	1287.36	INF	SL	2,306,579	6,868,580	13,550,184	2.98	1.97	21.20	10.05	47.41%	12.9	0.5	27.6	8	71	3
Tanga_64	1287.36	REC	SL	2,124,079	6,500,816	12,480,300	3.06	1.92	28.40	13.94	49.08%	14.1	0.4	25.1	9	80	2
Total Lower	**1287.36**			**5,274,710**	**15,539,394**	**30,227,189**	**2.95**	**1.94**	**24.80**	**11.91**	**48.02%**	**13.3**	**0.5**	**26.8**	**8**	**75**	**3**
Grand Total	**1287.36**			**15,431,126**	**162,060,514**	**315,150,117**	**31.76**	**1.94**	**25.36**	**12.30**	**48.50%**	**15.0**	**0.4**	**25.0**	**8**	**82**	**258**
Project Total	**3188.19**			**36,017,585**	**370,826,610**	**713,054,972**	**31.15**	**1.92**	**26.00**	**12.58**	**48.37%**	**14.70**	**0.43**	**25.79**	**8**	**83**	**264**

Notes

1 The expected geological discount is in the order of 30%

Resources contained in the Potential Opencastable area

GVM Metals Limited

Baobab Project - Fripp and Tanga Areas - Indicative Gross in situ Tonnages - no geological discount contained in the Opencast

										all material washed at a 1.50 cut RD							
Block	Block area (ha)	Class	Coal Horizon	Coal Area	Coal Volume	INSITU TONNES	SEAM THICK	Raw RD	Coal %	Gross Yield %	Coal Yield %	Ash Content	Inherent Moisture	Volatile matter	Swelling Index	Roga Index	Waste Thickness
Pit Limit	351.51	MEA	Upper	734,013	8,789,881	16,729,383	11.98	1.90	28.71	13.93	48.52%	16.2	0.6	27.5	8	72	49
Pit Limit	351.51	IND	Upper	777,979	9,296,768	17,625,284	11.95	1.90	28.81	14.11	48.98%	16.2	0.5	28.4	8	74	58
Pit Limit	351.51	INF	Upper	1,106,190	12,814,920	24,240,122	11.58	1.89	29.33	14.42	49.16%	16.0	0.6	28.6	8	74	47
Pit Limit	351.51	REC	Upper	94,304	817,131	1,505,171	8.66	1.84	32.05	18.09	56.44%	15.8	0.5	31.0	9	81	19
Total Upper	**351.51**			**2,712,486**	**31,718,700**	**60,099,960**	**11.69**	**1.89**	**29.07**	**14.28**	**49.13%**	**16.1**	**0.6**	**28.3**	**8**	**74**	**50**
Pit Limit	351.51	MEA	Middle	786,615	9,584,592	18,420,294	12.18	1.92	27.33	15.17	55.51%	13.8	0.5	29.3	9	82	5
Pit Limit	351.51	IND	Middle	830,417	10,791,448	20,719,582	13.00	1.92	25.53	14.56	57.03%	13.6	0.5	28.5	9	79	5
Pit Limit	351.51	INF	Middle	1,440,416	17,231,492	32,956,968	11.96	1.91	26.63	14.81	55.61%	13.4	0.5	28.8	9	76	6
Pit Limit	351.51	REC	Middle	200,309	2,291,257	4,349,192	11.44	1.90	24.33	14.46	59.43%	13.4	0.4	30.6	9	80	9
Total Middle	**351.51**			**3,257,757**	**39,898,789**	**76,446,036**	**12.25**	**1.91**	**26.37**	**14.81**	**56.16%**	**13.6**	**0.5**	**28.9**	**9**	**78**	**6**
Pit Limit	351.51	MEA	Lower	807,588	2,354,875	4,531,021	2.92	1.92	25.54	13.17	51.57%	12.6	0.6	29.7	9	80	3
Pit Limit	351.51	IND	Lower	840,050	2,448,102	4,676,466	2.91	1.91	25.60	13.49	52.70%	12.5	0.5	28.4	8	75	3
Pit Limit	351.51	INF	Lower	1,563,526	4,881,118	9,233,784	3.12	1.89	27.14	13.95	51.40%	12.3	0.5	29.2	8	75	4
Pit Limit	351.51	REC	Lower	246,367	797,418	1,478,782	3.24	1.85	28.76	14.56	50.63%	12.4	0.5	28.0	7	63	5
Total Lower	**351.51**			**3,457,531**	**10,481,513**	**19,920,053**	**3.03**	**1.90**	**26.53**	**13.71**	**51.67%**	**12.4**	**0.5**	**29.0**	**8**	**75**	**4**
Grand Total	**351.51**			**9,427,774**	**82,099,002**	**156,466,049**	**26.97**	**1.90**	**27.43**	**14.47**	**52.75%**	**14.4**	**0.5**	**28.7**	**8**	**76**	**59**

Notes

1 The expected geological discount is in the order of 20%

2 small scale faulting is expected in the pit,

Please note the references to “indicative” in the above tables are not references to the defined term “indicative” as appears in the JORC/SAMREC Code.

Conclusions and Statements

The current status of the project is still at a concept level, this will however change quite rapidly as the current data set and new drilling information becomes available. The working of the data and optimization of the coal horizon definition and mining benches will make a substantive increase in the potential profitability and in the expected specifications of the products produced.

The following however will need to be addressed in the very near future to bring the project to a feasibility level.

- Detailed work is required on the selection of coal and waste benches to optimize mining cost
- Detailed drilling is required to delineate the influence of the dolerite sill.
- Coal selection is to be investigated to reduce the feed to plant tonnage and increase in plant yield.
- Pit optimization is required to determine the final pit shell size.
- Methods to control in pit and discard waste volumes needs to be investigated.
- The expected drilling required is to reach a staggered drill pattern of 100 x 45m.

J C Sparrow Pr.Nat.Sci
Director – Gemecs (Pty) Ltd.

"The information in this report as it relates to geology was overseen by J C Sparrow a Director of Gemecs (Pty) Ltd. Mr Sparrow is a member of the South African Council for Natural Scientific Professions (400109/03), with a BSc (Univ. of Natal), BSc Hons Geology. (Univ. of Johannesburg) and a Chamber of Mines certificate in Rock Mechanics and qualifies as a competent person in the field of activity being reported on and consents to the inclusion of this information in the form and context in which it appears in this report."