

GVM Metals Limited
(previously, "Golden Valley Mines Limited")
(Incorporated and registered in Australia)
(Registration number ACN 008 905 388)
Share code on the JSE Limited: GVM ISIN: AU000000GVM1
Share code on the Australian Stock Exchange Limited: GVM
ISIN: AU000000GVM1
("GVM" or "the Company")

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement,
application for quotation of additional securities
and agreement

Information or documents not available now must be given
to ASX as soon as available. Information and documents
given to ASX become ASX's property and may be made
public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98,
1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

GVM Metals Limited

ABN

98 008 905 388

We (the entity) give ASX the following information.

Part 1 - All issues

*You must complete the relevant sections (attach sheets
if there is not enough space).*

- 1 +Class of
+securities issued
or to be issued

Shares

- 2 Number of
+securities issued
or to be issued (if
known) or maximum
number which may be
issued

22,223,000 shares

Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)

Fully paid ordinary

- 4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

Yes

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

- 5 Issue price or consideration

54 pence each (£0.54)

- 6 Purpose of the issue
(If issued as consideration for the acquisition of assets, clearly identify those assets)
- To raise a total of approximately £12,000,000 to assist in the purchase of a 70% interest in Coal of Africa Limited and for general development capital of its coal projects.
- 7 Dates of entering
+securities into uncertificated holdings or despatch of certificates
- 31 May 2007
- 8 Number and +class of all +securities quoted on ASX
(including the securities in clause 2 if applicable)
- | Number | +Class |
|-------------|----------------------------|
| 161,468,602 | Fully paid ordinary shares |
- 9 Number and +class of all +securities not quoted on ASX
(including the securities in clause 2 if applicable)
- | Number | +Class |
|-----------|---------------------------------------------------------------------|
| 9,000,000 | Options exercisable at 50 cents each on or before 30 September 2011 |
- 10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)
- Not applicable

Part 2 - Bonus issue or pro rata issue

Questions 11 to 33 - Not Applicable

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) ☒ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Questions 35 to 42 - Not Applicable

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any

applications received by us in relation to any
+securities to be quoted and that no-one has
any right to return any +securities to be
quoted under sections 737, 738 or 1016F of the
Corporations Act at the time that we request
that the +securities be quoted.

- We warrant that if confirmation is required
under section 1017F of the Corporations Act in
relation to the +securities to be quoted, it
has been provided at the time that we request
that the +securities be quoted.
- If we are a trust, we warrant that no person
has the right to return the +securities to be
quoted under section 1019B of the Corporations
Act at the time that we request that the
+securities be quoted.

3 We will indemnify ASX to the fullest extent
permitted by law in respect of any claim, action or
expense arising from or connected with any breach
of the warranties in this agreement.

4 We give ASX the information and documents required
by this form. If any information or document not
available now, will give it to ASX before
+quotation of the +securities begins. We
acknowledge that ASX is relying on the information
and documents. We warrant that they are (will be)
true and complete.

Sign here:

.....
..... Date: 25 May 2007
(Company secretary)

Print name: BLAIR SERGEANT

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