

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')

ANNOUNCEMENT (Released on ASX on 25 May 2007)

GVM Metals Limited ('GVM' or the 'Company') is pleased to announce that, further to Resolution 6 passed at the General Meeting of Shareholders held on 11 May 2007, it has raised £12m by way of a placing of 22,223,000 new ordinary shares in GVM at 54p per share. The monies have been raised with institutional investors in London and South Africa and will be used to assist in the acquisition of a 70% interest in Coal of Africa Limited, the owner of the Mooiplaats Coal Project, and for general development capital of its coal projects.

Application will be made for 22,223,000 new ordinary shares ("Shares") to be admitted to trading on AIM. Dealings are expected to commence on 31 May 2007. Following the admission of the Shares, the number of Ordinary Shares in issue will be 161,468,602.

Secondary Trading Notice Pursuant to Paragraph 708A(5)(e) of the Corporations Act 2001 ("Act")

The Act restricts the on-sale of securities issued without disclosure, unless the sale is exempt under section 708 or 708A of the Act. By giving this notice, a sale of the Shares noted above will fall within the exemption in section 708A(5) of the Act.

The Company hereby notifies ASX under paragraph 708A(5)(e) of the Act that:

- (a) the Company issued the Shares without disclosure to investors under Part 6D.2 of the Act;
- (b) as at 25 May 2007, the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company, and section 674 of the Act; and

(c) as at 25 May 2007 there is no information:

- (i) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
- (ii) that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
  - (A) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
  - (B) the rights and liabilities attaching to the relevant Shares.

AUTHORISED BY:

Blair Sergeant  
*Company Secretary*

(Documentation required in terms of ASX)

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
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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

<p>4 Do the <sup>+</sup>securities rank equally in all respects from the date of allotment with an existing <sup>+</sup>class of quoted <sup>+</sup>securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>Yes</p>
<p>5 Issue price or consideration</p>	<p>54 pence each (£0.54)</p>

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.
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7	Dates of entering +securities into uncertificated holdings or despatch of certificates	31 May 2007
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8	Number and +class of all +securities quoted on ASX ( <i>including</i> the securities in clause 2 if applicable)	<table border="1" style="width: 100%;"> <tr> <th style="text-align: left; padding: 5px;">Number</th> <th style="text-align: left; padding: 5px;">+Class</th> </tr> <tr> <td style="padding: 5px;">161,468,602</td> <td style="padding: 5px;">Fully paid ordinary shares</td> </tr> </table>	Number	+Class	161,468,602	Fully paid ordinary shares
Number	+Class					
161,468,602	Fully paid ordinary shares					

Number	+Class
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9	Number and +class of all +securities not quoted on ASX ( <i>including</i> the securities in clause 2 if applicable)	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*

### **(iii) Quotation agreement**

- 1     <sup>+</sup>Quotation of our additional <sup>+</sup>securities is in ASX's absolute discretion. ASX may quote the <sup>+</sup>securities on any conditions it decides.
- 2     We warrant the following to ASX.
  - The issue of the <sup>+</sup>securities to be quoted complies with the law and is not for an illegal purpose.
  - There is no reason why those <sup>+</sup>securities should not be granted <sup>+</sup>quotation.
  - An offer of the <sup>+</sup>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 <sup>+</sup>securities to be quoted and that no-one has any right to return any <sup>+</sup>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

[www.gvm.com.au](http://www.gvm.com.au)

25 May 2007



South African Sponsor to GVM  
PricewaterhouseCoopers Corporate Finance (Pty) Ltd