

GVM - GVM Metals Limited - Placing Of GVM Shares

GVM Metals Limited
(previously, "Golden Valley Mines Limited")
(Incorporated and registered in Australia)
(Registration number ABN 98008 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")

PLACING OF GVM SHARES

GVM Metals Limited ('GVM' or the 'Company') is pleased to announce that it has today completed a conditional fundraising of £42.25m by way of a placing of 65,000,000 new ordinary shares in GVM at 65p per share (the 'Placing').

The monies have been raised from clients of Blue Oar Securities Plc and Mirabaud Securities Limited, as joint brokers to the Company. The transaction will be used to fund the acquisition and development costs relating to the Company's Mooiplaats and Baobab coal projects, as well as for exploration and acquisition expenditure, working capital and expenses.

The Placing is subject to the passing of certain resolutions at the Company's Annual General Meeting ("AGM") to be held in Perth, Western Australia on Wednesday, 28 November 2007 at 10.00 am, providing the required capacity for the Placing.

Subject to and following approval of these resolutions at the AGM, application will be made for the new ordinary shares that are the subject of the placing to be admitted to trading on AIM, ASX and the JSE as required.

The Placing Shares will represent approximately 23 per cent of the enlarged share capital immediately following admission of the Placing Shares to trading on AIM.

Commenting on the announcement, Simon Farrell, managing director said, "We are very pleased to announce this significant milestone for the Company. The scale and pricing of this placement demonstrates the support for the potential of the Company's assets in a currently testing market. The proceeds of the transaction will be utilised in accelerating GVM's projects over the next 18 months in order to position the Company as a significant coal producer in South Africa."

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