

Regulatory Announcement

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Company GVM Metals Ltd
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GVM METALS LIMITED

("GVM" or the "Company")

Trading Update

Since the last trading update released on 6 June 2007 and the subsequent June Quarterly Report, 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 the project is set out below:

Mooiplaats (Ermelo Coalfield)

- Coal of Africa Ltd granted Mining Right for areas of the Mooiplaats project
- Infill drilling program on track with a measured resource of 43 million tonnes defined in the upper B seam
- Company expected to shortly announce the completion of its 70 per cent interest in CoAL
- Discussions continue with potential off-takers for the Mooiplaats project

The Company has been advised by Coal of Africa Ltd ("CoAL"), that CoAL has been granted a Mining Right in terms of S.23 of the Mineral and Petroleum Resources Development Act (MPRDA), 2002 (Act 28 of 2002) on Portion 1+9 on the farm Mooiplaats 290 IT, (an area of 940 hectares).

This is a significant development for the project and the only conditions precedent remaining for completion of the Company's acquisition of a 70 per cent. interest in CoAL is Ministerial Consent under S.11 of its MPRDA and Competition Commission consent. These are expected to be granted shortly.

The drilling program continues with 13 rigs on site which have now completed over 46,000 metres and some 330 holes. An inferred resource of 240 million tonnes over the two main coal seams has been delineated within an area of some 7000 Ha. 16000 Ha of the property remain to be drilled.

The infill drilling program (using 350 metre hole centres), which is still in progress, has defined a measured resource (at the time of writing) of 43 million tonnes in the B upper seam comprising of 5.3Mt of anthracitic coal (metallurgical coal), 14.3 Mt of lean coal (which has volatile content of between 10% and 20%) and 23.0 Mt of bituminous coal (thermal coal) using a 1.4 metre seam thickness cut-off. Consultants have advised that the average coal qualities (unwashed) from the B upper seam are as follows:

Measured Resources:

Resources	Tonnage	Calorific	Ash* (%)	Volatiles* (%)	Fixed
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Class	(Mt)	Value* (MJ/kg)			Carbon* (%)
Anthracitic	5.3	23.52	27.76	7.44	60.90
Lean	14.3	24.54	23.13	14.58	58.69
Bituminous	23.0	25.86	17.70	26.86	51.72

**on an air dried basis*

It should be noted that these are interim results. Washability tests are in progress and the results expected shortly. These results are required before final product specifications can be determined.

Geological modeling based on the drilling to date is being finalised and mine planning can now commence.

This in turn will allow the Company to negotiate mining contracts with the various contractors who have now provided provisional cost estimates.

Concurrently, discussions continue with Eskom and other potential off takers. There is currently a worldwide shortage of both coking and thermal coals with supply growth falling behind demand. The Company believes that the market outlook for its coal assets are very good and predicted margins highly attractive.

The Company believes that it will complete mining contracts and sales agreements for Mooiplaats before the end of this year and progress is in line to commence production in the third quarter of 2008.

Holfontein (Witbank Coalfield)

The drilling program at the 100 per cent. owned Holfontein project has been completed and a Competent Persons Report delineating a "measured resource" and product qualities is due for release shortly. Results are expected to be in line with previous estimates which allow planned sales of 400,000 tpa of soft coking coal and 800,000 tpa of unwashed thermal coal over a mine life of twenty years. The Company expects production to commence as planned in the third quarter of 2008 subject to permitting from the Department of Minerals and Energy.

Limpopo Coal Project (Thuli Coalfield)

Ludik Core has been appointed as drilling contractor for GVM's 74 per cent. owned Limpopo project as site preparations have commenced. Separate contractors have been appointed to do geotechnical geological logging. Drilling is expected to commence before the end of this month.

East Coast Maritime (Pty) Ltd ("ECM") have been contracted to generate an "order of magnitude" feasibility study for the rail and port infrastructure required for both the Limpopo and Baobab projects. The study is approximately 25% complete and should be finalised by the middle of November. ECM delivered a preliminary report and the Company believe the findings are extremely encouraging both in terms of capacity and timing.

Baobab (Soutpansberg Coalfield)

Geomechanics have been appointed drilling contractor for this 100 per cent. owned project. A borehole for water and a campsite was completed and drilling has commenced to revalidate previous work carried out by Iscor to bring the resources into JORC standard. The same contractors that have been used on

the Limpopo projects for geotechnical and geological logging have been appointed for Boabab.

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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 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 2004 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.

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