

## Regulatory Announcement

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<b>Company</b>	<a href="#">GVM Metals Ltd</a>
<b>TIDM</b>	GVM
<b>Headline</b>	Acquisition
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### **GVM METALS LIMITED**

18 October 2007

### **ACQUIRES SIGNIFICANT HISTORICAL DRILLING DATA ON BAOBAB**

GVM Metals Limited ("GVM" or "The Company") is pleased to announce that it has successfully completed negotiations with Exxaro Resources Limited ("Exxaro") to acquire the historical database and geological modeling information generated by Exxaro (then Iscor) from their exploration activities in the area during the 1970 and 80's.

The database was generated from some 1200 boreholes of which:

- 940 have detailed lithographical descriptions (detailed descriptions of the individual rock types encountered in the core of the borehole);
- 980 have sample information, (sampling of individual coal types according to a specific group of coal types); and
- 960 have proximate analyses, (the chemical analysis of coal as per the percentages of ash content, moisture content, volatile matter content, specific heat value and total sulphur content).

The cost of acquiring the data was ZAR\$20 million (A\$3.3 million) which has been paid and all data received.

Deputy Managing Director Nonkqubela Mazwai said:

"The database generated by Exxaro is very impressive. It gives us the possibility of bringing the Fripp and Tanga farms (two of the sixteen properties comprising the Baobab project) into production 18 months earlier than we previously thought. Subject to permitting from the Department of Minerals and Energy, it is a real possibility that we could be mining in 2009. The coal seam at Fripp and Tanga is 30 meters thick with favourable strike length, recoveries and qualities. We expect to announce an initial resource estimate by calendar year end."

### **HOLFONTEIN ACQUISITION**

In addition, GVM is pleased to announce that it has finalised agreement to acquire a 100% interest in various portions of Wildebeesfontein, which is situated adjacent to Holfontein. The acquisition is subject to various conditions precedent, principally regulatory consents. The area of the new properties is 552 hectares and enlarges GVM's current holdings by a third. It is believed the acquisition will significantly enlarge the seam 5 soft coking coal resources outlined in an earlier Competent Persons Report (CPR). Drilling to define the new resource will be completed before year-end and the Company believes a CPR upgrading the total resource to the 'measured' category will be finalised shortly after drilling is finished.

Under the terms of the Agreement, GVM has paid a deposit of US\$100,000 and will complete a drilling program on the properties to define a SAMREC and JORC compliant Indicated Resource. That part of

the coal seam, having a seam thickness of greater than 1.4 meters and a Calorific Value greater than 23 MJ/Kg, will constitute the resource for which GVM will pay US\$0.50 per tonne so defined.

Managing Director Simon Farrell commented:

"The acquisition of Wildebeesfontein gives Holfontein a good increase in scale and with the dramatic increase in export coal prices, the economics of the 5 seam which is a semi-soft coking coal have improved significantly. Holfontein is on track with the Bankable Feasibility Study underway along with the Environmental Impact Study and social and labour planning which will allow us to start the process of converting our prospecting rights to a Mining Right with the Department of Minerals and Energy in South Africa."

Authorised by

SIMON J FARRELL  
Managing Director

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