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ANNOUNCEMENT

7 JUNE 2007

GVM METALS LTD

("GVM" or the "Company")

RESULTS OF SHAREHOLDERS MEETING AND TRADING UPDATE

The Directors of GVM (AIM/ASX/JSE) are pleased to advise that all resolutions considered at the General Meeting held 5 June 2007 were passed by shareholders.

The outcome of the meeting resulted interalia in the Company satisfying all the conditions precedent necessary to complete the acquisition of a 100% interest in the Baobab JV. and the Holfontein Project. This is a critical step forward in the Company's progress to becoming a significant coal producer.

The Company has placed 34,868,283 new ordinary shares in GVM ("Shares") to acquire the remaining a 51% interest in Holfontein, the remaining 50% interest in the Baobab Joint venture and 100% interest in additional Limpopo prospecting rights, with the respective vendors.

Application will be made for the 34,868,283 Shares to be admitted to trading on the JSE. Following the admission of the Shares the number of Ordinary Shares on issue will be 196,518,703.

In addition, a resolution was passed to issue 2,000,000 options exercisable at \$1.25 each on or before 30 September 2012 to Richard Linnell and 5,000,000 options exercisable at \$1.25 each on or before 30 September 2012 to Simon Farrell.

The current status of the Company's coal projects is set out below:

MOOIPLAATS

- An infill drilling program is underway to convert a portion of the current inferred resources to a minimum of 60 million tonnes in the measured and indicated category
- The inferred resource drilling program at Mooiplaats to date has covered approximately 7,000 Ha of the 20,000 Ha of the total property. Completion of this program has been suspended to conduct the above infill drilling as detailed above
- Indicative quotes from potential contractors have been received on the basis of supplying an initial six million tonnes per annum of domestic thermal coal to Camden power station

- The planned second phase of development is to produce approximately two million tonnes of anthracitic and export thermal coal per annum
- Production expected to commence Q3 2008

LIMPOPO COAL PROJECT (Tuli Coalfield)

- Work set to commence Q3 2007 to upgrade and expand the inferred resource of 352 million tonnes to indicated and/or measured
- Bankable feasibility study to commence before the end of Q4 2007

BAOBAB COAL PROJECT (Soutpansberg Coal Field)

- Work set to revalidate the previous drilling by Iscor/Kumba and bring the resources into JORC standard

HOLFONTEIN

- The measured resource statement and geological model is expected to be completed by the end of June 2007
- Production expected to commence Q3 2008

NiMag

- EBIT for the year to 30 June 2007 is expected to be in the range of Zar 42/45 million (\$A7-8 million)

Simon Farrell, Managing Director, GVM Metals commented, "I am pleased to provide this positive update from the meeting. It is clear from the progress made at our projects that GVM is rapidly progressing towards our goal of becoming a major coal producer in South Africa."

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TRADING UPDATE

MOOIPLAATS

Subject to satisfaction of various conditions as announced on 7 February 2007, GVM has contracted to buy 70% of the shares in Coal of Africa Ltd ("CoAL") which has the new order rights to various adjoining properties in the Ermelo district of South Africa adjacent to the Camden Power Station. Under the original transaction, GVM was to acquire CoAL via the acquisition of Kelso Mining. In addition to the CoAL rights, Kelso Mining had a ferronickel project in the Philippines, which subject to certain conditions was also to be acquired as part of the transaction. It became apparent that the complexity of the transaction was jeopardizing settlement of the CoAL transaction. There was therefore agreement amongst the parties that GVM deal directly with the original parties and Kelso would be removed from the transaction on the basis it was reimbursed its costs in relation to the original due diligence and legal costs up to a maximum of GBP500,000 to be satisfied by the issue of GVM shares at 40p.

The result of the transaction is that the cost of acquiring the CoAL shares is increased from the original price of GBP 30 million in cash and GBP 7 million in shares at 30p per share by the reimbursement described above. A cash deposit of GBP 3 million has already been paid. GBP 17 million of the cash component will be paid 90 days after receipt of all necessary Government consents with the remaining GBP 10 million to be paid 12 months after that date. The share component will be made in two payments, GBP 3 million immediately and the remaining balance on completion of all conditions precedent.

Following recent placements the Company has cash reserves in excess of GBP 25 million (AUD 60 million) and no debt other than working capital facilities for the NiMag business.

Since the end of February 2007, an intensive drilling program involving up to 11 drill rigs has been working on the various Mooiplaats farms. A summary of this work is set out below:

	Inferred	Measured
Total boreholes to date	89	40
Total Metres drilled	18,145	
Samples submitted	185	83
Hardgrove Index & Grindability samples		10

The drilling program at Mooiplaats was initiated with the task of defining an inferred resource for the entire property. The program is being supervised by SRK Consulting and approximately 7,000 Ha of the 20,000 Ha property has been drilled

following the guidelines established by the JORC and SAMMREC codes.

In order to bring that portion of the ore body closest to the Camden Power Station into measured category, the drilling program was suspended and the rigs began the infill drilling required to upgrade the status of the resource.

The aim of the program is to bring a minimum of 60 million tonnes into the measured and indicated category. Sixty million tonnes is the coal required for ten years consumption at the adjacent Camden Power Station. Once this infill program is completed, mine planning can commence and the current negotiations with contract mining companies finalised. The inferred drilling will then re-commence with approximately 250 further holes required to complete the programme. Indicative quotes have been received on the basis of supplying initially six million tonnes of domestic thermal coal annually. The planned second phase of development is to produce approximately two million tonnes of anthracitic and export thermal coal. To put the potential size of the mine into perspective, Australia currently produces a total of 70 million tonnes underground coal.

Owing to the transfer of rigs to accelerate the definition of a measured resource and the results of the inferred drilling program to date, the requirement of a 450 million tonne minimum JORC compliant resource under the CoAL agreement has been waived, leaving the only conditions precedent remaining being ministerial consent to the transfer and Competition Authority consent. This is expected to take place in the next three months.

LIMPOPO COAL PROJECT (Tuli Coalfield)

In July 2007, the Company intends to release four of the eleven rigs drilling at Mooiplaats and relocate them to the Limpopo project. Work undertaken by Sphere/Utah Mining in the 1980's, delineated an inferred resource of 352 million tonnes. (www.gvm.com.au)

Following the acquisition of adjoining properties, the intention is to expand and upgrade the current resource status to indicated and/or measured. This program, incorporated with yet to be flown aero magnetic data, will form the basis of a bankable feasibility study which is intended to commence before the end of the year.

BAOBAB COAL PROJECT (Soutpansberg Coal Field)

Following completion of the Data Terrain Model, two rigs released from the Holfontein infill drilling program are being transferred to the Baobab project. These rigs will commence large diameter drilling on the Fripp and Tanga farms. These farms were subject to a comprehensive drilling and testing program by Iscor in the 1970's and 80's. The intention of the program is to revalidate the earlier work and bring the resources into JORC standard.

HOLFONTEIN

Poor performance by the drilling contractor has delayed finalising the in-fill drilling at Holfontein until this week. Initial results have confirmed that the 5 Seam should produce the required quality of coal for the metallurgical industry. The 4 Seam will also produce suitable quality coal for domestic thermal consumption.

The Measured Resource and Geological Model is expected to be completed by the end of June 2007 in time to feed into the Scoping Study and application for New Order Mining Rights ("NOMR"). Consultants have been appointed to complete the NOMR and the Environment Studies including the Environmental Impact Assessment and Environmental Management Plan. In parallel with the NOMR applications, GVM will complete a Definitive Feasibility Study including baseline capital and operating cost estimates with an expected $\pm 10\%$ accuracy.

Concurrently experienced contractors will be identified and selected for alliance contracts for the outsourced Underground Mining and Coal Processing. The open book, negotiated alliance type of contract has been selected in order to optimise production, capital and operating costs focusing on safety, health and environment performance.

NiMag

- EBIT for the year to 30 June 2007 is expected to be in the range of Zar 42/45 million (\$A7-8 million)

Buoyant trading conditions continue to improve this division's performance. Expected EBIT for the year to 30/6/07 is expected to be in the range of Zar 42/45 million (\$A7-8 million) and the outlook for 2008 is for a modest further improvement. NiMag management continues to seek further similar businesses to expand its metal alloys and fibres division.

NiMag, which was acquired for Zar 55 million some four years ago, has now repaid all its acquisition debt and provides a most valuable contribution to the costs of developing the coal business.