

Regulatory Announcement

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Company	GVM Metals Ltd
TIDM	GVM
Headline	4th Quarter Results
Released	08:29 31-Jul-07
Number	1656B

GVM METALS LIMITED

QUARTERLY REPORT

GVM Metals Limited ('GVM' or 'the Company') is pleased to announce its operational report for the 4th quarter ended 30 June 2007. A full copy of this report, as released today on the ASX, is available at the Company's website, www.gvm.com.au.

Highlights

- Unaudited Group profit before interest and tax (EBIT) for the fourth quarter was A\$1.4 million and for the year A\$6.4 million.
- Cash balance at the end of the quarter was A\$62 million. All borrowings associated with the Nimag acquisition have now been repaid.
- Nimag (Pty) Ltd's nickel magnesium alloy business again operated well ahead of budget with EBIT for the quarter of A\$2. million. The full year EBIT was A\$8.2 million.
- GBP24.7 million was raised by the issue of 37,352,941 GVM shares @ 34p and a further 22,223,000 G shares @ 54p to various institutional investors in London and South Africa. The funds will be used in acquisition of 70% of Coal of Africa Limited (CoAL) - the entity owning the Mooiplaats coal project situated two kilometres from the re-commissioned Camden Power Station and adjacent to the rail line to the Richards Bay export coal terminal - and project development.
- Issue of 11,250,000 GVM shares in June comprising the first equity payment in the acquisition of 70% of CoAL.
- Placing of 8,333,333 GVM shares @ 30p to raise GBP2.5 million to purchase 50% of the Baobab Joint Venture.
- Allotment of 34,868,283 shares to Motjoli Resources resulting in GVM acquiring the remaining 50% of the Baobab Joint Venture and the remaining 51% of the Holfontein coal project.
- Election of Nonkqubela Mazwai as Deputy Managing Director and Nchakha Moloi, Steve Bywater and Graham Taggart as Non-Executive Directors of GVM.
- A total of 26,646 metres of drilling were completed during the quarter on Holfontein and Mooiplaats. The results of the drilling are in line with management expectations and will be released in the current quarter.
- Exploration expenditure for the quarter was A\$2.7 million.

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Discussion of Results

Nimag Group of Companies (100%)

The Nimag Group's unaudited profit before interest and tax for the 2007 financial year was ZAR45 million (A\$8.2 million). The nickel magnesium business outperformed its budget and the smaller FeSiMag business and Metalloy business also contributed to the Group's profitability. Trading conditions continue to be buoyant.

During the quarter, the remaining long term banking debt of A\$1.5 million used to finance GVM's original acquisition of Nimag was repaid.

Coal Activities

Mooiplaats Coal Project

(70% on completion of the Coal of Africa Limited transaction)

The major drilling programme continued at Mooiplaats during the quarter and 23,867 metres (164 holes) were drilled. Seven thousand of the twenty-three thousand hectares have now been drilled on 'inferred' spacing densities. Infill drilling has commenced on measured and indicated spacings. The goal of the programme is to bring a minimum of 60 million tonnes of the resource into measured and indicated categories. This tonnage represents ten years consumption at the adjacent Camden Power Station.

SRK consultants are overseeing the drilling programme and a resource statement will be released during the current quarter. The results of the drilling programme to date are in line with management expectations.

Holfontein Coal Project

(was 49% - now 100% on completion of the Motjoli transaction)

During the fourth quarter, GVM acquired Motjoli Resources' majority stake in the Holfontein coal project through the issue of 14,868,283 GVM shares. The final contractual payment of ZAR18 million (A\$3 million) was made to project's vendors.

The Holfontein exploration programme, which started towards the end of 2006 to confirm the structure, tonnage and quality of the Holfontein coal resource, was completed during the fourth quarter. The geological model based on these results is current being updated and the laboratory analysis of the samples is expected in August. Mine feasibility studies will commence once the laboratory results have been received.

Having drilled a total of 67 boreholes in the Holfontein resource area at a drilling density of just less than 14 boreholes per hectare for the 5 seam resource, and 12 boreholes per hectare for the 4 seam resource, once modeling is completed, resources will be in the measured category.

Geotechnical tests were conducted on the diamond drill cores to establish the competence of the roof and conditions of both the 5 Seam and 4 Seam resources. Initial perusal of the results has confirmed the low phosphorus metallurgical qualities of the 5 Seam with no change in expected yields. The 4 seam resource still needs to be modelled analytically but the indications are that the coal is suitable for SASOL or Eskom feedstock. Composite samples of the 5 Seam are to be reconstituted to test for certain metallurgical properties. Similarly, 4 Seam samples are to be reconstituted to test for the suitability of the coal for Eskom Feedstock.

Baobab Coal Project

(was 50% - now 100% on completion of the Motjoli transaction)

The acquisition of Petmin's 50% interest in the Baobab Coal Project was completed during the fourth quarter through the issue of 8,333,333 GVM shares to raise the required purchase price of GBP2.5 million (A\$6 million). During June, GVM acquired remaining 50% of the Joint Venture held by Motjoli Resources with the issue of 20,000,000 GVM shares.

Consultants have been mandated to assess railway and related transport infrastructure from GVM's Baobab and Thuli coal projects to the Richards Bay and Maputo coal terminals. Management envisage that the consultants will complete the project during the first quarter of the 2008 financial year. During the 2007 fourth quarter, drill companies performed site visits and the approved drilling contractor is expected to commence drilling in August.

Thuli Coal Project (Limpopo)**(74%)**

Potential drilling contractors have performed site inspections and drilling on the Thuli coal project is expected to start in August. Data collected in the data terrain model completed earlier in the year will be used in the identification of drilling targets.

Preliminary discussions with various infrastructure participants are underway to ascertain the export capacity of the coal to be mined in the Thuli Coal Project. Management have received surface right valuations from independent third parties mandated to assess the value of the surface rights comprising the Thuli coal project. Preliminary consultations with the current surface rights owners on GVM's potential acquisition of these rights have been undertaken. GVM will continue these discussions together with the Thuli coal project drilling programme during the next quarter.

Authorised by

Simon Farrell

Managing Director

31 July 2007

ASX Appendix 5B***Mining exploration entity quarterly report***

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

GVM Metals Limited

ABN

98 008 905 388

Quarter ended ("current quarter")

30 June 2007

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from product sales and related debtors	20,098	54,118
1.2	Payments for (a) exploration and evaluation	(2,731)	(2,954)
	(b) development		
	(c) production	(13,387)	(43,853)
	(d) administration	(817)	(5,020)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	296	550
1.5	Interest and other costs of finance paid	(424)	(830)
1.6	Income taxes paid	(65)	(960)
1.7	Other	-	
Net Operating Cash Flows		2,970	1,051
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects		
	(b) equity investments	(9,312)	(9,937)
	(c) other fixed assets	(74)	(200)

1.9	Proceeds from sale of: (a)prospects (b)equityinvestments (c)other fixed assets	-	
1.10	Loans to other entities		
1.11	Loans repaid by other entities	0	422
1.12	Other (provide details if material)	-	
	Net investing cash flows	(9,386)	(9,715)
1.13	Total operating and investing cash flows (carried forward)	(6,416)	(8,664)

1.13	Total operating and investing cash flows (brought forward)	(6,416)	(8,664)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.(net) –see note below	60,036	74,216
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings	(1,593)	(3,239)
1.18	Dividends paid	(0)	(260)
1.19	Other (Exchange rate related movements in foreign borrowings and reserves)		
	Net financing cash flows	58,443	70,717
	Net increase (decrease) in cash held	52,027	62,053
1.20	Cash at beginning of quarter/year to date	10,074	50
1.21	Exchange rate adjustments to item 1.20	3	1
1.22	Cash at end of quarter	62,104	62,104

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2
1.24	Aggregate amount of loans to the parties included in item 1.10

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows
- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

Amount available	Amount used
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		\$A'000	\$A'000
3.1	Loan facilities	3,662	-
3.2	Credit standby arrangements		

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	(2,500)
4.2	Development	-
Total		(2,500)

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	57,672	10,687
5.2 Deposits at call	4,384	-
5.3 Bank overdraft	-	(613)
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	62,056	10,074

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			
	Holfontein 138 IS	Transfer of Mineral Rights is subject to South African Department of Minerals and Energy approval.	0%	100%
	Tanga 648 MS Wildgoose 577 MS	The South African Department of	0% 0%	100% 100%
	Ancaster 501 MS		0%	100%

Voorburg 503 MS	Minerals and	0%	100%
Cavan 508 MS	Energy has	0%	100%
Jutland 536 MS	approved the	0%	100%
Cohen 591 MS	transfer of the	0%	100%
Enfield 521 MS	Mineral Rights	0%	100%
(consolidation of	to GVM.		
remaining extent of			
Enfield 474 MS,			
Brosdoorn 682 MS			
and R/E of Grootvlei			
684 MS)			
Albert 686 MS		0%	100%
Jolfre 584 MS		0%	100%
Kleinenberg 636 MS		0%	100%
Castle Koppies 652		0%	100%
MS			
Fanie 578 MS		0%	100%
Chase 576 MS		0%	100%
Fripp 645 MS		0%	100%
Bekaf 650 MS		0%	100%
Overvlakte 125 MS		0%	74%
Bergen Op Zoom 124		0%	74%
MS			
Semple 119 MS		0%	74%
Almond 120 MS		0%	74%
Voorspoed 836 MS		0%	74%
Stayt 183 M8		0%	74%
Riet 182 MS		0%	74%

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference				
*securities				
(description)				
7.2 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary	207,768,703	207,768,703		
securities				
7.4 Changes during quarter				
(a) Increases through issues	37,352,941	37,352,941	34 pence	34 pence
	8,333,333	8,33,333	30 pence	30 pence
	22,223,000	22,223,000	50 pence	50 pence
	34,868,283	34,868,283	30 cents	30 cents
	10,000,000	10,000,000	30 pence	30 pence
	1,250,000	1,250,000	40 pence	40 pence
	181,818	181,818	11 pence	11 pence
(b) Decreases				

	through returns of capital, buy-backs				
7.5	*Convertible debt securities (description)				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	21,842,326	-	Exercise price See Note 6	Expiry date See Note 6
7.8	Issued during quarter	12,842,326	Nil	Exercise price See Note 6	Expiry date See Note 6
7.9	Exercised during quarter	Nil	Nil		
7.10	Expired during quarter	Nil	Nil		
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

- This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- This statement does give a true and fair view of the matters disclosed.

Notes

- The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period.
If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- Issued and quoted securities:**
The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- Accounting Standards**
ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

6 Issued and Quoted Securities as at 30 June 2007:

Number Issued	Number Quoted	Exercise Price	Expiry Date	Lapsed Since End of quarter
13,500,000	-	A\$0.50	30 September 2011	-
555,575	-	GBP0.54	31 May 2009	-
786,751	-	GBP0.34	17 May 2009	-
7,000,000	-	A\$1.25	30 September 2012	-

END

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