

## Regulatory Announcement

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<b>Company</b>	GVM Metals Ltd
<b>TIDM</b>	GVM
<b>Headline</b>	Quarterly Report
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# G V M M E T A L S L I M I T E D

## Q U A R T E R L Y R E P O R T

GVM Metals Limited (“GVM” or “the Company”) is pleased to announce its operational report for the 4th quarter ended 30 June 2006. A full copy of this report, as released today on the ASX, is available at the Company’s website, [www.gvm.com.au](http://www.gvm.com.au). The final results for the year ended 30 June 2006 are anticipated to be released prior to the middle of October 2006.

### Highlights

- Record NiMag quarterly profit before interest and tax of A\$1.52 million and net operating cash flows of A\$1.027 million.
- Annual unaudited Group profit before interest and tax of A\$1.6 million.
- Annual unaudited Nimag Group profit before interest and tax of A\$2.653 million.
- Approximately \$1.488 million of debt was repaid during the year.

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### Discussion of Results

#### Nimag Group of Companies (GVM-74% with option to acquire balance by share issue)

In line with expectations, the fourth quarter was the Nimag Group’s best quarter for the year and it reported profit before interest and tax of A\$1.5 million. The quarter’s profit was strongly supported by the depreciation of the Rand and the increase in the nickel price.

The Trading and Fibres businesses also returned to profitability during the quarter. Though the FesiMag business still performs behind budget, the outlook remains positive.

With the continued weakening performance of the Rand and the high nickel price the outlook for the Group is very positive.

#### SA Mineral Resources Corporation (“Samroc”) - GVM-26.26%

Though the Company recovered well since the beginning of 2006, trading conditions remain difficult. GVM announced its intention to exit the Samroc investment and is pursuing various opportunities in regard. GVM disposed of 13% of its equity investment in Samroc during the quarter.

### Coal

On the 28 June 2006, shareholders approved the acquisition of a 74% interest in the 352 million t Limpopo Coal Project. Negotiations with other parties to expand the Company’s interests in both our Limpopo and Witbank coal projects made good progress during the quarter and finalisation of these negotiat

expected before the end of the September quarter.

### **Holfontein Coal Project – GVM 49%**

During the quarter, collection and capturing of all the old Holfontein data was completed as well completion of cross sections of the ore body. This data will be used to accurately position the drill holes as part of the bankable feasibility study for Holfontein.

Subsequent to the end of the quarter, air geophysics was completed over Holfontein and agreement with the drilling contractor signed.

### **Limpopo Coal Project – GVM 74%**

During the quarter GVM submitted the application for the conversion of the Limpopo prospecting rights to the Department of Minerals and Energy for the transfer to GVM. The Company has been advised to expect this process to take 8-12 weeks.

Historical data on the project area, including much of the feasibility work conducted by Southern Steel Mining 20 years ago, is being collected and collated in preparation for a major drilling program to commence in the December quarter.

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