

## Regulatory Announcement

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<b>Company</b>	GVM Metals Ltd
<b>TIDM</b>	GVM
<b>Headline</b>	Acquisition
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### **GVM Metals Limited**

#### **ACQUISITION OF FURTHER COAL INTERESTS IN SOUTH AFRICA**

GVM Metals Limited (“GVM” or the “Company”), the Australian mineral processing and coal mining company with assets in South Africa, is pleased to announce that it has executed a binding Sale of Shares and Claims Agreement to acquire 100% of the issued capital of Boabab Mining and Explorations (Proprietary) Limited (“BME”), a wholly owned subsidiary of Petmin Limited. BME owns 50% of the Boabab J.V. coal project, the remaining 50% is currently held by Motjoli Resources, which GVM has already agreed to acquire as announced on 22 August 2006.

#### **Completion of both transactions will take GVM’s interest in the Boabab Coal Project to 100%.**

The consideration payable to acquire BME is £2.5 million in cash, payable upon the fulfillment or waiver of the following suspensive conditions:

1. GVM obtaining shareholder approval at a general meeting of shareholders of GVM to be convened to be held during or before 30 March 2007;
2. obtaining the requisite approvals of the Exchange Control Department of the South African Reserve Bank as are applicable; and
3. obtaining the necessary approvals in terms of section 11 of the Mineral and Petroleum Resources Development (“MPRD”) Bill of South Africa by 30 April 2007.

#### **Boabab Coal Project**

The Boabab Coal Project consists of granted prospecting rights over sixteen farms in Soutpansberg/Mopane coal fields located within the Limpopo Province in the north of South Africa. These farms intermingle with or adjoin farms held by Rio Tinto as part of their Chapudi Project. The total area of these farms is in excess of 23,000 Hectares, bringing GVM’s total interests in the Limpopo coalfields to approximately 32,000 Hectares.

The Soutpansberg/Mopane Coalfield was extensively prospected by Iscor / Kumba and others up until the early 1990’s.

Based on open file reports available at the South African Council for Geoscience, the Company is confident that with further exploration resources on the farm could be greater than the 350 million tonnes inferred resource at Limpopo stated in the Competent Persons Report, also on the Company’s website.

On Cavan, one of the farms acquired, the open file reports disclose one coal seam that averages 22 metres in thickness, substantial coal tonnages and that the coal in the region is stated as having a sulphur content of between 0.96% and 1.2% and the ash content as between 10% and 12%. An immediate task for the Company is to update these reports and bring them into JORC compliance.

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