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REPORT FOR THE JUNE 2007 QUARTER

Highlights

- Unaudited Group profit before interest and tax (EBIT) for the fourth quarter was A\$1.4 million and for the full 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\$2.5 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 GVM shares @ 54p to various institutional investors in London and South Africa. The funds will be used in the 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.

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 the 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 currently 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 floor 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 the 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, drilling 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 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

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