

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document, you should consult a person authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.

This document has been prepared in accordance with paragraph (k) of the Supplement to Schedule One of the AIM Rules published by London Stock Exchange plc. This document sets out information equivalent to that required for an admission document but which is not currently public. Information which is public includes, without limitation, all information publicly available in the United Kingdom and all information filed with the Australian Stock Exchange Limited (see www.asx.com.au) and all information on the website www.gvm.com.au (together, the "Public Record"). This document should be read in conjunction with the announcement made on 17 November 2005 (the "20 Day Announcement") and the Public Record. This document and the 20 Day Announcement together constitute the "Announcement".

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the official list of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. London Stock Exchange plc has not itself examined or approved the contents of this document.

GVM Metals Limited

(Incorporated and registered in Australia with registered number ACN 008 905 388)

**Further information on GVM Metals Limited
in connection with its application for Admission to trading on AIM**

**Nominated Advisor and Broker
Beaumont Cornish Limited**

The directors of GVM Metals Limited, whose names appear in the Announcement, accept responsibility for the information contained in the Announcement. To the best of the knowledge and belief of the directors (who have taken all reasonable care to ensure that such is the case), the information contained in the Announcement is in accordance with the facts and, when read in conjunction with the Public Record, does not omit anything likely to affect the import of such information.

Beaumont Cornish Limited, which is authorised and regulated by The Financial Services Authority, is acting as nominated adviser and broker to the Company in relation to admission and will not be responsible to any person other than the Company for providing the protections provided to clients of it or for advising any other person on the contents of the Announcement. No liability is accepted by Beaumont Cornish Limited for the accuracy of any information or opinions contained in, or for the omission of any material information from this document, for which the directors are solely responsible.

Copies of this document, which is dated 17 November 2005, are available at the Company's website (www.gvm.com.au) until the expiry of one month from the date of admission.

DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

“Admission”	admission of the Ordinary Shares in issue to trading on AIM becoming effective in accordance with the AIM Rules
“AIM”	a market operated by the London Stock Exchange
“AIM Rules”	the rules published by the London Stock Exchange entitled “AIM Rules for Companies”
“2003 Annual Report”	the published annual report and accounts for the year ended 30 June 2003, a copy of which can be found at www.gvm.com.au/investor_relations/financial_reports/annual.phtml
“2004 Annual Report”	the published annual report and accounts for the year ended 30 June 2004, a copy of which can be found at www.gvm.com.au/investor_relations/financial_reports/annual.phtml
“2005 Annual Report”	the published annual report and accounts for the year ended 30 June 2005, a copy of which can be found at www.gvm.com.au/investor_relations/financial_reports/annual.phtml
“ASTC”	ASX Settlement and Transfer Corporation Pty Ltd (ABN 49 008 504 5532)
“ASTC Settlement Rules”	the operating rules of ASTC Australian Stock Exchange Limited
“ASX”	Australian Stock Exchange Limited (ABN 98 008 624 691)
“ASX Rules”	the listing rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the official list of ASX
“ASX Website”	ASX’s website which can be found at www.asx.com.au
“AUS”	Australian dollars
“Company” or “GVM”	GVM Metals Limited previously known as Golden Valley Mines Limited (ACN 008 905 388)

“Company’s Website”	the Company’s website which can be found at www.gvm.com.au
“Constitution”	the constitution of the Company approved and adopted by special resolution on 30 November 2004, a copy of which can be found at www.gvm.com.au/corporate/corporate_governance/constitution.phtml
“Corporations Act “	Corporations Act 2001 of the Commonwealth of Australia
“CREST”	the computerised settlement system to facilitate the transfer of title of shares in uncertificated form, operated by CRESTCo Limited
“Directors” or “Board”	the directors of the Company at the date of this document
“Group”	the Company and its controlled entities
“Holfontein”	Holfontein Investments (Proprietary) Limited with company registration number 1989/001765/07 and whose registered office is at 2 nd Floor, 72 Grayston Drive, Sandown, 2196, South Africa
“Listing Rules”	means the Listing Rules of ASX
“London Stock Exchange”	London Stock Exchange plc
“Motjoli”	Motjoli Resources (Proprietary) Limited with company registration number 2004/018980/07 and whose registered office is at 6 th Floor, 11 Diagonal Street, Johannesburg, 2000, South Africa
“NiMag”	NiMag (Proprietary) Limited whose registration number is 2003/015720/07 and whose principal office is at Pinewood Office Park, Block 8 (NiMag House), 33 Riley Road, Woodmead, Sandton 2000, Republic of South Africa
“Ordinary Shares”	fully paid ordinary shares in the capital of the Company
“Rand”	South African Rand
“Pound” or “£”	pounds sterling

“Prospectus”	the prospectus issued by the Company on 24 May 2005, a copy of which can be found at www.gvm.com.au/investor_relations/current_asx_releases.phtml
“SAMROC”	SA African Minerals Resources Corporation Limited whose company number is 1993/00460/06 and whose principal office is at Pinewood Office Park, Block 8 (NiMag House), 33 Riley Road, Woodmead, Sandton 2000, Republic of South Africa
“Shareholder”	a holder of Ordinary Shares
“SRK”	SRK Consulting Engineers and Scientists
“UK”	United Kingdom of Great Britain and Northern Ireland
“US\$”	United States dollar
“Unlisted Options”	the 75,000 options exercisable at 192.3 cents each on or before 30 September 2006

DIRECTORS, SECRETARY AND ADVISERS

Directors:	Richard Linnell Simon Farrell Peter Cordin Blair Sergeant	Chairman Managing director Non-executive director Non-executive director
Registered office:	Level 1 173 Mounts Bay Road Perth Western Australia 6000 Telephone: 61 8 9322 6776	
Company secretary:	Blair Sergeant	
Nominated Adviser and Broker:	Beaumont Cornish Limited 5th Floor10-12 Copthall Avenue London EC2R 7DE	
Auditors:	Moore Stephens Level 3 12 St George's Terrace Perth Western Australia 6000	
UK Solicitors to the Company:	Kilpatrick Stockton LLP One Canada Square Canary Wharf London E14 5NZ United Kingdom	
Australian Solicitors to the Company:	Blakiston & Crabb 1202 Hay Street West Perth Western Australia 6005	
UK Registrar:	Computershare Investor Services Plc PO Box 82 The Pavilions Bridgwater Road Bristol BS99 7NH	
Australian Registrar:	Computershare Investor Services Pty Limited Level 2, Reserve Bank Building 45 St George's Terrace Perth Western Australia 6000	

1. GVM METALS LIMITED

1.1 Important Events in the Development of the Company's Business

The Past

GVM was listed in 1980 as an exploration company with interests in Australia and Indonesia.

In 2001/2 there was a change of management and focus to mineral processing and mining. The strategy was to build a low volatility earnings stream from mineral processing before expanding into mining. Entry into mining was planned to be by acquiring interests in well advanced exploration projects or, preferably, projects at the development stage.

The mineral processing businesses initially acquired were a 30% interest in SA Minerals Resources Corporation Limited ("SAMROC") on 12 December 2003 and a 74% interest in NiMag Limited (with an option to acquire the remaining 26%) . For further information in relation to the acquisition of NiMag please see the Company's announcements to ASX dated 26 March 2003, 7 October 2003 and 16 December 2003. Please also see paragraph 16.3 below (Material Contracts).

SAMROC produces manganese sulphate chemicals and NiMag produces a range of metal alloys and fibres. The alloys are principally used in improving the technical characteristics of cast iron and also in exotic metals used in the aeronautical industry. For some two years, GVM negotiated with BHP Billiton to acquire their dense media (FeSi) business (EBIT ± R50 million). However, BHP opened the sale of the business to tender earlier this year and GVM was advised of its unsuccessful bid in July 2005.

The Present

GVM continues to seek new mineral processing opportunities, however the growth of its existing mineral processing business is currently organic and incremental rather than as a result of major acquisitions. The Company has also resolved to dispose of its stake in SAMROC. This is primarily as a result of SAMROC's largest customer (+50% of domestic sales) Dow Chemical closing its South African operations due to substantial appreciation of the Rand. The Company does not consider that the scale of the business and profitability of SAMROC justifies its retention. GVM disposed of Rand 5.5 million of the 8.5 million of secured loans owned by GVM for Rand 2 million to Koen de Rooster. Please see paragraph 16.9 below (Material Contracts). In addition, the Company has commenced discussions with interested parties for the sale of SAMROC but it is too early at this stage to provide an indication of outcome.

As a result of the increasing power demands in Southern Africa and the switch in South Africa from being a coking coal exporter to importer, it was felt by the Company that it should examine local coal opportunities.

On 27 April 2005 a small coal mining project "Holfontein" was brought to the attention of GVM and after some due diligence and negotiations a 49% interest was acquired in the project. The acquisition was subject to a number of conditions, principally relating to the size of the economically recoverable tonnes as determined by independent experts (SRK). For further

information in relation to the acquisition please see the Company's announcement dated 27 April 2005 on ASX's Website and also on the Company's Website. Please also see paragraph 16.4 below (Material Contracts).

A Competent Persons Report has been completed (which is attached as Appendix 2 to this document), and a scoping level study is underway (by BRSW Mining Consultants/Badger Mining) to determine the economics of the project. At this stage it is too early to determine whether GVM will proceed because under the sale and purchase agreement, the acquisition becomes voidable if the deposit is not larger than 8 million tonnes of economically recoverable coal.

Should 8 million tonnes of economically recoverable coal be defined by independent consultants as provided in the purchase agreement, it is believed the market value of the project will comfortably exceed its cost and thus the decision will have to be made whether to sell or develop the project. If the decision is taken to develop the project, the Company will need to raise the additional funds to meet its obligations under the acquisition agreement by way of project finance or some other means.

An application has been submitted by the Company for the conversion of Holfontein's prospecting rights from old order prospecting rights to new order prospecting rights ("NOPR"). This is in connection with the recent introduction of the South African Mineral and Petroleum Resources Development Act, 2002 under which all mining rights revert back to the state. Once the NOPR is granted, it is intended to instruct SRK to begin the feasibility study. Because of the current delays in the granting of exploration permits by the South African Department of Minerals & Energy, the drilling program to commence the feasibility study is at least six months away. Under another term of the acquisition agreement payment of the balance of the purchase price is not due until 30 days after the SRK report indicates that there are more than 8,000,000 tonnes of saleable coal in Holfontein and that there are no outstanding environmental matters.

The purchase price is subject to an adjustment mechanism in terms of which the price will be reduced if the total amount of saleable coal reserves in Holfontein is less than 16,465,371 tonnes. The adjustment will be done according to the formula:

$$\frac{X(\text{saleable coal})}{16,465,371\text{Mts}} \times R18\,000\,000 = \text{amount payable}$$

The R3,000,000 deposit was paid by GVM in full and will revert back to GVM in the event of the conditions precedent not being met.

GVM has entered into a shareholders' agreement with Motjoli. Under the Shareholders' Agreement, GVM agrees to use its reasonable commercial endeavors to raise the funding for the remainder of the purchase consideration on behalf of GVM and Motjoli. The shareholders agreement further states that GVM will also be responsible for raising the funds required up to the establishment of the mine. However, GVM's obligation is the raising of the finance and not for providing it. The funding and payment obligations remain the joint responsibility of both GVM and Motjoli. Further details of the shareholders' agreement are set out in paragraph 16.5 of this document.

On a stand alone basis Holfontein is not regarded as a strategic asset by the directors of GVM. The purpose behind GVM's participation in the project was to develop the relationship with its Black Economic Empowerment (B.E.E.) partners Motjoli. GVM's directors are of the view that Motjoli's assistance would be of considerable help in negotiating participation in much larger coal projects.

On 12 December 2003 the Company acquired a 73.8% interest in Master Alloy Traders Limited ("MATS") for US\$1.4m and the Company subsequently acquired the remaining 26.2% for US\$26,200. MATS is incorporated in Jersey in the Channel Islands and it trades various minerals purchased from NiMag in South Africa. Please also see paragraph 16.10 below (Material Contracts).

1.2 Description of Principal Investments

A description of the Company's principal investments is contained in the 2005 Annual Report.

1.3 Description of Investments in Progress and Prospects

Following the acquisition of Holfontein, the search for more meaningful coal assets began in earnest.

The Company intends to further develop its business within the coal mining sector and through the Chairman Richard Linnell's connections several substantial coal properties have been identified and negotiations commenced regarding GVM's participation. These discussions are proceeding satisfactorily and GVM's management is hopeful of completing one or more of those transactions before year end.

GVM's board believes the outlook for coal in South Africa looks very bright. Traditionally, South Africa has been a major producer and exporter of coal (ranked number 5 as a producer and number 2 as an exporter in world terms). The vast bulk of this coal has been sourced from the Witbank coalfields which are now in their mature phase. Recent developments in demand for coal have concentrated expansion efforts towards the relatively underdeveloped northern coalfields, an area of great interest to GVM. Substantial investment in new power generation plants is planned which will require new sources of thermal coal. In addition, congestion at Richards Bay currently precludes export of "new" thermal coal but expansion of the port is widely predicted.

Domestic demand for coking coal is growing rapidly as a result of expanding steel production in the face of contracting local supply. South Africa is now having to import coking coal and the principal offtake from new producers will be domestic.

Recent developments suggest that the rail link from South Africa to Maputo (Mozambique) will be upgraded. If this eventuates, Maputo's wharf of Motola will be expanded, permitting a substantial increase in its coal handling facilities and an outlet for South African northern coalfields. GVM's directors are monitoring these developments closely as they could have a very beneficial effect on the economics of a number of South African coal projects.

1.4 Commitments of the Company

Outside of the recurring operational commitments associated with NiMag and the Group in general, the Company has potential commitments associated with the Holfontein acquisition and the pending acquisition of the remaining 26% of NiMag. Please refer to paragraph 16 (Material Contracts) below for further information.

It is the Company's intention to negotiate with the vendors and option-holders of NiMag in order to procure the acceleration of the exercise of the option(s) to acquire the remaining 26% in NiMag prior to their contractual exercise date(s).

1.5 Principal Activities

A description of the key factors relating to the nature of the Company's operations and principal activities is contained in the 2003 Annual Report , the 2004 Annual Report and the 2005 Annual Report.

1.6 The Group

The Company is not a controlled entity and has no parent undertaking.

A list of the controlled entities of the Company, the country of incorporation of such entities and the percentage of such entities that is owned by the Company is set out on page 42 of the 2005 Annual Report. The proportion of ownership interest is the same as the proportion of voting power held in respect of each controlled entity.

1.7 Environmental Factors

A description of the environmental factors which may affect the utilisation of the tangible fixed assets of the Company is detailed within paragraph 17 of the Risk Factors.

1.8 Known Trends

A description of the known trends, uncertainties, demands etc. which are reasonably likely to have a material effect on the prospects of the Company for the current financial year is detailed in the Risk Factors described in Appendix 1 to this document.

1.9 Management

Details of the date of expiration of the current term of office, if applicable, and the period during which the person has served in that office in respect of all members of the administrative, management and supervising bodies are set out in the 2005 Annual Report. Save as disclosed in the 2005 Annual Report, no such members have entered into service contracts or letters of engagement with the Company.

1.10 Dividends

A description of the dividend policy is set out in Clause 27 of the Constitution.

No dividends were paid on the Ordinary Shares during the financial years 2003, 2004 and 2005.

2. RISK FACTORS

The attention of prospective purchasers of shares in the Company is drawn to the fact that ownership of shares in the Company involves a variety of risks. Before deciding whether to purchase Ordinary Shares, prospective investors should consider carefully the risks described in the Appendix 1 to this document (the “**Risk Factors**”) together with all the information contained in this Announcement.

3. FINANCIAL INFORMATION

The 2005 Annual Report has been presented in accordance with International Accounting Standards (as defined by Regulation (EC) 1606/2002).

The 2003 Annual Report, the 2004 Annual Report and the 2005 Annual Report have each been audited.

4. COMPETENT PERSONS REPORT

A report by David le Roux van Wyk of GeoCoal Services, whose business address is 67A Mountainview Drive, Northcliff, South Africa 2195 and who has the following qualifications is set out at Appendix 2 to this document: -

David le Roux van Wyk has more than 25 years experience in the South African Coal industry. He has a B.Sc Geology and Geography (1971) from Rhodes University; and is a past president, fellow and member of the Geological Society of South Africa. He is a council and executive member of the South African Council for Natural Scientists and has written a number of published and unpublished articles on coal. He is also a qualified coal plant operator. Both the Geological Society of South Africa and the South African Council for Natural Scientists are included in the Recognised Overseas Professional Organisations (“ROPO’s”) which is a list promulgated by ASX in 2003 to which Competent Persons may belong for the purpose of preparing reports on exploration results, mineral resources and ore resources for submission to the ASX. The ROPO process applies in respect of reports prepared under the Joint Ore Reserves Committee (“JORC”) Code. The published list is available, prepared on advice of JORC and its parent organisations, is available on ASX website, at <http://www.asx.com.au/about/pdf/JORC.pdf> and is updated periodically.

Neither David le Roux van Wyk nor GeoCoal Services has any interest in the Company.

5. STATUS

- 5.1 The Company was incorporated in Australia on 6 December 1979, under the Australian Corporations Law as a proprietary company with Shareholders' liability being limited to the amount paid up or payable on their Ordinary Shares. The Company subsequently converted to a

public company regulated under the Corporations Act 2001 (Cth) and the Shareholders' liability remains limited.

5.2 The Company's Australian Company Number (ACN) is 008 905 388.

5.3 The Ordinary Shares of the Company have been traded on ASX since 24 April 1980 and will continue to be so traded.

6. SHARE CAPITAL

6.1 Issued Share Capital

The Company does not have an authorised share capital, as it is understood in the UK, but the Company is otherwise limited by the fundraising provisions contained in Chapter 6D of the Corporations Act and the Listing Rules of ASX. The issued share capital of the Company as at the date of this document is 27,698,387¹ fully paid Ordinary Shares. The Ordinary Shares have no nominal or par value and are recorded in the accounts of the Company at their issue price and in AU\$. A history of the Company's share capital is set out below.

Date	Number of Shares Issued	Issue Price AU\$	Notes
As at 1 July 2002	203,151,509		
25/02/2003	11,550,000	0.04	
16/04/2003	3,615,000	0.04	
07/01/2004	15,000,000	0.03	
12/01/2004	5,803,679	0.029	
27/01/2005	5,000,000	0.025	
29/04/2005	30,865,000	0.03	
30/05/2005	1	0.03	
13/10/2005	None	N/A	Consolidation of every ten fully paid shares into one fully paid share see paragraph 6.1 below for further details.
21/10/2005	200,000	0.25	Shares allotted to Colin Ikin in lieu of cash payment for consultancy services.

Details of the number of Ordinary Shares in issue by the Company both at the beginning and at the end of the previous financial year are included in the 2005 Annual Report.

Less than 10 per cent of the share capital of the Company has been paid for with assets other than cash within the period from 1 July 2002 to 30 June 2005.

6.2 Consolidation of Share Capital

A meeting of shareholders held on 12 October 2005 approved the consolidation of the issued capital of the Company on the basis that:

- (1) every ten (10) fully paid Ordinary Shares in the capital of the Company) was consolidated into one (1) fully paid Ordinary Share; and
- (2) every ten (10) Unlisted Options to acquire Ordinary Shares exercisable at 19.23 cents each was consolidated into one (1) Unlisted Option to acquire Ordinary Shares exercisable at \$1.923."

As a result, the total number of Ordinary Shares in issue reduced to 27,698,387. Further, the total number of Unlisted Options on issue reduced to 75,000 exercisable @ AU\$1.923 each.

7. OPTIONS

The terms and conditions governing the exercise of the Unlisted Options are set out on the Company's Website.

8. SETTLEMENT OF SECURITIES

8.1 UK Shareholders and CREST

CREST is a computerised paperless share transfer and settlement system, which allows shares and other securities, including depository receipts, to be held in electronic rather than paper form. Foreign securities (such as the Ordinary Shares) cannot be held or traded in the CREST system. To enable investors in foreign securities to settle their transactions in CREST, a depository may be appointed to hold the relevant securities and issue dematerialised depository interests representing the underlying securities. The Company intends to appoint Computershare Investor Services plc, to act as depository. The depository will hold the Ordinary Shares in trust for the depository interest holders and this trust relationship will be documented in a deed poll to be executed by the depository. The deed poll will also set out the procedure for depository interest holders to vote at general meetings of the Company and to exercise their rights as Shareholders.

The depository interests will be independent securities and will be held on a register maintained by the depository. The depository interests will have the same security code as the Ordinary Shares which they represent and will not require a separate admission to AIM.

Shareholders wishing to settle their securities through CREST can transfer their Ordinary Shares to the depository, which will then issue depository interests to those Shareholders, representing the transferred Ordinary Shares.

Participation in CREST is voluntary and Shareholders who do not wish to have their holding administered within CREST will be recorded on the Company's register in Australia and issued a statement to evidence their holding..

In the United Kingdom the Company's share depository is maintained by Computershare Investor Services Plc.

8.2 Australian Shareholders and CHESS

Settlement on the Australian register will continue to be conducted pursuant to the electronic Clearing House Electronic Subregister System (“CHESS”) operated by the ASTC. Under this system the Company does not issue share certificates to members, who instead receive an electronic statement of their holding in the Company.

In Australia the Company’s share register is maintained by Computershare Investor Services Pty Limited.

9. MARKETING AND TRADING OF SHARES

9.1. The Ordinary Shares are listed, and will continue to be listed, on ASX and the Company has made application for all Ordinary Shares to be admitted to trading on AIM.

9.2 It is emphasized that although the Ordinary Shares will be admitted to trading to AIM, the Company will not be subject to takeover regulations in the UK and the City Code on Takeovers and Mergers will not apply to the Company. However, the Company is subject to provisions regulating takeovers under Australian law. Chapter 6 of the Corporations Act forbids the acquisition of a “**relevant interest**” in voting shares in the Company (whether by transfer or issue) if, as a result, the “**voting power**” of the acquirer (or any other person) would increase from 19.99 per cent. or below to 20 per cent or more, unless a takeover offer is made for the remaining shares of the Company. By virtue of section 608(3)(a) of the Corporations Act, any acquisition of shares in the Company which would result in the acquirer holding 20 per cent. or more of the Company would result in such person being deemed to have acquired a “**relevant**” interest in the Company in breach of the provisions of the Corporations Act.

10. CONSTITUTION

The Constitution does not contain details of the Company’s “objects” as such term is understood in the United Kingdom.

The Constitution includes details of all the rights attached to the Ordinary Shares. A copy of the Constitution can be found on the Company’s website at www.gvm.com.au.

11. DIRECTORS INTERESTS

Details of the Directors’ interests in Ordinary Shares and Options are set out at page 9 of the 2005 Annual Report.

12. ADDITIONAL INFORMATION ON DIRECTORS

12.1 In addition to any directorships held of companies in the Group, the Directors hold or have held the following directorships or have been partners in the following partnerships within the five years prior to the date of this document:

Name	Current Directorships/Partnerships	Past Directorships/Partnerships
Richard Linnell	Businessmap Foundation	BHP Billiton SA Limited

(aged 61)	Chrome Corporation Ltd D Group (SA) Limited GRD Minproc Ltd GMA Resources plc Falkland Gold and Minerals Ltd Mag Energy Inc Moydow Mines International Inc Namakwa Diamonds Ltd NiMag Pty Ltd Project Literacy Education Centre RJ Linnell and Associates Limited SA Minerals Resources Corporation Ltd Silson Investment Holdings Limited	Eskom Limited Kalahari Diamonds Plc Kalahari Diamond Resources Plc
Simon Farrell (aged 54)	Cherek Pty Ltd Cove Mining Pty Ltd Evoc Mining Pty Ltd GMA Resources plc Golden Valley Investments Pty Ltd Golden Valley Services Pty Ltd Greenstone Gold Mines Pty Ltd Karratta Pty Ltd Kenmare Resources plc Petroasia Pty Ltd Skin Cancer Analysis Technologies Ltd SA Minerals Corporation Ltd	Dalepoint Pty Ltd International Mini Refineries Pty Ltd Kingswin Investments Pty Ltd Lasata Holdings Pty Ltd Navigator Resources The Ivy Consulting Group Pty Ltd Val-Link Management Pty Ltd
Peter Cordin (aged 55)	Cordin Pty Ltd Cove Mining Pty Ltd Evoc Mining Pty Ltd Golden Valley Investments Pty Ltd Golden Valley Services Pty Ltd Greenstone Gold Mines Pty Ltd Moneo Metals Limited Petroasia Pty Ltd Polar Gold Pty Ltd Scorpio Diamonds Pty Ltd	Esmeralda Exploration Limited Mount Alexander Resources Pty Ltd Philippine Gold Plc
Blair Sergeant (aged 34)	Box International Pty Ltd Bre Nominees Pty Ltd E-Com Asia Pacific Pty Ltd Entrepreneurs in Residence Pty Ltd Gato Negro Holdings Pty Ltd Karratha Metals Ltd Millepede International Ltd Petroasia Pty Ltd Optima Corporation Ltd	Biometrics Ltd Black Earth Resources Ltd Cervantes Seafood Ltd Donnybrook Gold Pty Ltd Eshraghian Laboratories Pty Ltd Natural Medicine Plantations Ltd Neptune Marine Services Ltd O' Connor Venture Management Pty Ltd Townshend York Pty Ltd

12.2 At the date of this document: -

- 12.2.1 none of the Directors has any unspent convictions in relation to indictable offences;
- 12.2.2 none of the Directors has been made bankrupt or has been the subject of an individual voluntary arrangement;
- 12.2.3 save as provided below, there have been no receiverships, compulsory liquidations, creditors voluntary liquidations, administrations, company voluntary arrangements or any composition or arrangement with its creditors generally or any class of its creditors of any company of which any Director was a director at the time of or within the 12 months preceding the date of, such event

Simon Farrell was managing director of Valiant Consolidated Ltd which was placed in voluntary administration in 1997 due to a payment dispute on a shipment of manganese . The shipment was later paid in full, further capital was raised and the company released from administration. The company subsequently changed its name to Consolidated Minerals Ltd and is now capitalised at nearly one billion Australian dollars.

Peter Cordin was a non-executive director of Esmeralda Exploration Limited (now known as Eurogold Limited) which had a stake in Aurul SA's Baia Mare Tailings Retreatment Project in Romania. Esmeralda Exploration Limited was placed into administration on 15 March 2000 following the accidental overflow of cyanide bearing treatment water from Aurul's tailings dam. The company came out of administration on 27 September 2001.

- 12.2.4 there have been no compulsory liquidations, administrations or partnership voluntary arrangements of any partnerships of which any Director was a partner at the time of, or within the 12 months preceding the date of, such event;
- 12.2.5 there have been no receiverships of any asset of any Director or of a partnership of which any Director was a partner at the time of, or within the 12 months preceding the date of, such event; and
- 12.2.6 no Director has previously been subject to any public criticism by any statutory or regulatory authorities (including recognised professional bodies) or has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

13. PRINCIPAL HOLDERS OF SECURITIES

Details of those shareholders in the Company that hold shareholdings equal to or greater than 5% of the share capital of the Company are set out below:

Name of Shareholder	No. of Ordinary Shares held by Shareholder	Percentage shareholding in the Company held by Shareholder
Australian Heritage Group Pty Ltd	2,000,000	7.22%
National Nominees Limited	1,669,728	6.03%
Cherek Pty Ltd	1,406,377	5.08%

A shareholding of 5% or more is “notifiable” pursuant to section 671B of the Corporations Act .

All shareholders in the Company have the same voting rights.

14. CORPORATE GOVERNANCE

- 14.1 Details of the Company’s main corporate governance principles are set out on the Company’s website at www.gvm.com.au. The extent to which the Company has complied with the Ten Essential Corporate Governance Principles and the corresponding Best Practice Recommendations as published by ASX Corporate Governance Council and an explanation in respect of any non-compliance with such principles and recommendations are set out on pages 13 to 16 of the 2005 Annual Report .

15. TAXATION

Summary of Taxation Implications

The paragraphs below comment on the general Australian and UK taxation position of individual and corporate resident and non-resident Shareholders in relation to the payment of dividends by the Company and the future disposal of their Ordinary Shares.

The following comments are intended as a general guide to the UK and Australian tax implications only. This should not be a substitute for individual advice from an appropriate professional adviser and all persons are strongly advised to obtain their own professional advice on the tax implications of acquiring, owning and disposing of Ordinary Shares based on their own specific circumstances.

The comments are based on the law and understanding of the practice of the tax authorities in the UK and Australia at the date of this document.

Australian Taxation

Taxation of Future Share Disposals

Australian Resident Shareholders – General

Australian Shareholders who trade Ordinary Shares in the ordinary course of their business or who acquire Ordinary Shares for the purpose of profit-making by sale will hold their Ordinary Shares on revenue account. These Shareholders must include any profits made on the disposal of their Ordinary Shares in their assessable income. The determination of the profit to be included may be different if the shares are trading stock or only acquired for profit-making by sale. Shareholders who include income from share dealings on revenue account will not be required to include any capital gain from the disposal of the same shares in their assessable income.

All other Australian Shareholders will hold their Ordinary Shares on capital account. These Australian resident Shareholders must consider the impact of Australian capital gains tax rules on the disposal of their Ordinary Shares. A Shareholder derives a capital gain on the disposal of Ordinary Shares where the consideration received on disposal exceeds the capital gains tax cost base of the Ordinary Shares.

A Shareholder derives a capital loss on the disposal of Ordinary Shares where the consideration received on disposal is less than the capital gains tax reduced cost base of the Ordinary Shares. All capital gains and losses for the year are added together to produce a net capital gain/loss position. A net capital gain for a financial year is included in the resident taxpayer's assessable income and is subject to taxation in Australia. A net capital loss may generally be carried forward to the next financial year to be deducted from future capital gains. There is no limit on the number of years such losses can be carried forward.

Non-Australian Resident Shareholders – General

Non-Australian resident Shareholders who hold Ordinary Shares on revenue account may need to include profits from the sale of Ordinary Shares in their assessable income for the purposes of determining any Australian taxation liability. Applicable double taxation agreements may provide relief from Australian taxation.

Non-Australian resident Shareholders who do not hold Ordinary Shares on revenue account may be subject to Australian capital gains tax upon disposal of their Ordinary Shares. Non-Australian resident Shareholders will only be subject to Australia's capital gains tax on the disposal of Ordinary Shares if they and their associates held 10 per cent or more of the issued capital of the Company at any time within five years of the disposal. These Shareholders may be able to obtain relief from Australian capital gains tax via the application of any relevant double taxation agreement.

Non-Australian resident Shareholders, who together with associates own less than 10 per cent of the Company's issued capital, will not be subject to Australia's capital gains tax rules.

Capital Gains Tax Discount

Shareholders that are either individuals, trusts or complying superannuation funds (and in some cases a life insurance company) (whether resident or non-Australian resident) may be entitled to obtain a capital gains tax discount in relation to a net capital gain derived in a financial year. The "discount percentage" is 50 per cent for an individual or a trust (effectively where the capital gain flows through the trust to an individual beneficiary) and 33 1/3 per cent for complying superannuation entities. Broadly, this capital gains tax discount is only available if the

Shareholder has held the Ordinary Shares for at least twelve months. The concession is not available to a Shareholder that is a company.

Dividends

Dividends are paid to Shareholders from the accounting profits of the Company. Australian resident Shareholders may receive credits for any Australian corporate tax that has been paid on these profits. These credits are known as “franking credits” and they represent the extent to which a dividend is “franked”. It is possible for a dividend to be fully franked, partly franked or unfranked. Where a dividend is partly franked the franked portion is treated as fully franked and the remainder as being unfranked.

It should be noted that the definition of dividend for Australian tax purposes is broad and can include certain capital returns and returns from off-market share buy-backs.

Australian Resident Shareholders – Individuals

Individual resident Shareholders will need to include dividends and the amount of any franking credits attached thereto in their assessable income in the period in which they receive the dividend. Individual Shareholders may receive tax credits for any franking credits attached to the dividend.

Individual Shareholders may receive a tax refund if the franking credits attached to the dividend exceed their tax payable on the receipt of the dividend. Individuals may be liable to pay additional tax equal to the difference between the tax, at their marginal rate of tax, on the dividends plus franking credits and the franking credits. By way of example, if a fully franked dividend of \$70 was subject to tax at the top marginal tax rate, the tax on \$70 plus \$30 (the franking credit) would be \$48.50. The franking credit of \$30 would reduce the tax payable to \$18.50.

Australian Resident Shareholders – Corporate

Dividends payable to Australian resident corporate Shareholders together with the amount of any franking credits attached thereto will be included in their assessable income in the year the dividend is paid. The corporate Shareholder will be entitled to a tax offset to the extent that the dividend is franked. This would result in the dividend being free of further company tax to the extent that it is franked. A fully franked dividend should effectively be free of tax to an Australian resident corporate Shareholder. Where franking credits are unused by a corporate shareholder because the corporate shareholder's tax payable has been reduced to \$Nil they may be converted to income tax losses. The franking credits attaching to dividends received will be added to the corporate shareholder's franking account.

Non-Australian Resident Shareholders – General

Unfranked dividends payable to non-Australian resident Shareholders will be subject to withholding tax. Withholding tax is generally imposed at thirty per cent unless a Shareholder is a resident of a country with which Australia has a double taxation agreement. The double taxation agreement may reduce the withholding tax rate to a range of between 5 per cent and 15 per cent depending on the country of residence of the non-Australian resident Shareholder. However,

unfranked dividends which may be paid to non-residents by a resident company from a “foreign dividend account” of the company are not subject to withholding tax. A foreign dividend account will generally reflect any foreign sourced dividends which are non-portfolio dividends of the Australian company.

Fully franked dividends are not subject to withholding tax. Non-Australian resident Shareholders may be assessable for tax on any such dividends in their country of residence. They should consider the impact of dividends under their domestic tax regime.

UK Taxation of UK Resident Shareholders

The following paragraphs broadly outline the taxation position of UK Shareholders in the Company. The following paragraphs provide general advice only. Each Shareholder’s specific circumstances will impact on their taxation position. All Shareholders are recommended to obtain their own taxation advice. In particular, all Shareholders, including UK tax resident Shareholders are advised to consider the potential impact of any relevant double tax agreements on their shareholding.

(a) Taxation of Chargeable Gains

UK Resident Shareholders

A disposal of Ordinary Shares or Depository Interests by a Shareholder who is (at any time in the relevant UK tax year) resident or ordinarily resident in the UK may give rise to a chargeable gain or allowable loss for the purpose of UK taxation of chargeable gains.

Non-UK Resident Shareholders

A Shareholder who is not resident in the UK for tax purposes but who carried on a trade, profession or vocation in the UK through a branch or agency and has used, held or acquired the Ordinary Shares or Depository Interests for the purpose of such trade, profession or vocation may also be subject to UK taxation on chargeable gains on a disposal of those Ordinary Shares or Depository Interests.

Special rules may apply to tax gains on disposals made by individuals who are not currently (but who have been) either UK resident or ordinarily UK resident or to any individuals who are temporarily not resident or ordinarily resident in the UK. Any such individuals are advised to obtain specialist tax advice.

(b) Dividends

The Company will not be required to withhold UK tax from dividends paid on the Ordinary Shares. Any holder of Ordinary Shares who is resident in the UK, or who carries on a trade, profession or vocation in the UK to which the Ordinary Shares are attributable, will generally be subject to UK tax on income in respect of any dividends paid on the Ordinary Shares. As these dividends will be foreign income for the purposes of UK taxation, they will be subject to a different tax regime from that applying to dividends received from UK companies. In particular, there will be no notional UK tax credit attaching to the dividends.

If the dividend has been subject to Australian dividend withholding tax ("WHT"), the amount of the dividend received plus the WHT will be included in the assessable income of the UK Shareholder. In these circumstances the Shareholder should be entitled to a credit for the WHT. The credit would be limited to the lesser of the WHT or the UK tax payable on the combined amount of the dividend plus WHT. If the WHT exceeds the UK tax payable on the dividend, the excess is neither creditable nor repayable.

UK Resident Company Shareholder

Dividends paid to a UK resident company Shareholder will be assessable income of the Shareholder. If the dividend has been subject to WHT it will be treated as described above. If the UK resident company Shareholder is unable to use the foreign tax credits (for example because of tax losses) it may be able to claim a tax deduction for the foreign tax paid. Any such Company should obtain specialist advice.

Non Portfolio Interest

If a Shareholder which is a UK company has at least 10 per cent of the voting power in the Company, it may also be entitled to a credit for Australian company tax paid on the underlying profits. Any such Company should obtain specialist tax advice.

(c) Inheritance Tax

If any Shareholder is an individual and is regarded as domiciled in the UK for inheritance tax purposes, inheritance tax may be payable in respect of the Ordinary Shares or Depository Interests on the death of the Shareholder. The gift of the Ordinary Shares or Depository Interests may have Inheritance Tax implications.

In the case of a Shareholder who is an individual but who is not regarded as domiciled in the UK for these purposes, no such UK inheritance tax will be payable if the Ordinary Shares or Depository Interests are not situated in the UK for inheritance tax purposes. The Ordinary Shares or Depository Interests must be regarded as situated in the UK for these purposes if they are registered on the Company's UK branch register.

(d) UK Stamp Duty and Stamp Duty Reserve Tax

There is generally no liability to UK stamp duty or stamp duty reserve tax ("SDRT") on the issue of Ordinary Shares by the Company.

Any agreement to transfer, or any transfer of, Ordinary Shares pursuant to UK depository arrangements are expected to be exempt from UK Stamp duty on the basis that the company expects to satisfy the relevant criteria exemption. UK stamp duty may potentially arise on transfers of other Ordinary Shares depending on the circumstances, such as whether the transfer is executed in the UK.

Any person who is in any doubt as to his tax position or is subject to taxation in a jurisdiction other than Australia or the UK should consult an appropriate professional adviser.

16. MATERIAL CONTRACTS

The following contracts not being contracts entered into in the ordinary course of business, have been entered into by the Company or its subsidiaries during the two years immediately preceding the date of this document and are, or may be, material as at the date of this document: -

- 16.1 A sale of shares agreement between the Company, NiMag (Proprietary) Limited (“NiMag (Proprietary)”) previously known as Nite Lite Investments (Proprietary) Limited and the parties listed in Schedule 1 of the agreement dated 12 December 2003 (the “**Sale Agreement**”), pursuant to which the Company, acting through NiMag (Proprietary), agreed to acquire the entire issued ordinary share capital of NiMag. The total purchase price is 50,000,000 Rand which is discharged by the payment of 27,500,000 Rand on the closing date (5 five business days after the fulfilment of the last of the conditions); 2,850,012.10 on the first anniversary of the effective date (12 December 2003); 2,660,000 on the second anniversary of the effective date; and 3,990,000 on the third anniversary of the effective date. The purchase price is also discharged by NiMag (Proprietary) allotting and issuing, credited as fully paid up: 3,793 A ordinary shares to those sellers identified as A vendors in column 2 of Part A, Schedule 3; 5,281 A preference shares to the A vendors set out in column 2 of Part B, Schedule 3; 1,207 B ordinary shares to those sellers identified as B vendors in column 2 of Part C, Schedule 3; and 5,084 B preference shares to the B vendors set out in column 2 of Part D, Schedule 3. The Sale Agreement (with exception of Clauses 4.2, 13, 15, 16 and 17) is conditional upon, inter alia, the signing of a shareholders’ agreement to be concluded amongst the shareholders of the purchaser. This condition could be waived by the purchaser by written notice to the sellers, however a shareholders’ agreement was concluded contemporaneously with the Sale Agreement (see paragraph 16.2 below). The Sale Agreement is governed and construed in accordance with the laws of the Republic of South Africa.
- 16.2 A shareholders’ agreement (the “**Shareholders’ Agreement**”) dated 12 December 2003 between GVM, the persons set out in Annexure “A” (the “**Minorities**”) and NiMag (Proprietary), pursuant to which GVM and the Minorities agreed to regulate their relationship as shareholders of NiMag (Proprietary). The Shareholders’ Agreement is conditional (save for Clauses 4, 17, 18 and 20) on the Sale Agreement referred to in paragraph 16.1 being concluded and becoming unconditional.
- 16.3 An option agreement (the “**Option Agreement**”) between the Company and each of the A Vendors listed in Part A of Schedule 6.2 and the B Vendors listed in Part B of Schedule 6.2 to the Option Agreement (together the “**Vendors**”). The Option Agreement was signed on behalf of the last signatory on 22 December 2003 but had an effective date of 12 December 2005. Pursuant to the Option Agreement the Company and the Vendors agreed to grant each other certain put and call options in respect of the A Ordinary Shares, the A Preference Shares, the B Ordinary Shares and the B Preference Shares in Nite Lite Investments (Proprietary) Limited (“**Nite Lite**”). The Option Agreement was made subject to various conditions precedent, each of which was fulfilled on or about 4 March 2004. Pursuant to the Option Agreement, the Company granted to the Vendors the following options: -

- 16.3.1 a **"B Preference Share Put Option"** to the B Vendors, exercisable at any time after the 1st anniversary of the Effective Date but before the 5th anniversary and as often as the B Vendor may determine. Upon exercise of such B Preference Share Put Option, the Company would purchase such number of B Preference Shares in Nite Lite as are specified in the notice served by the B Vendor, for a purchase price to be determined in accordance with the provisions of Schedule 6.4. Such purchase price would be satisfied both in cash and by the allotment to the B Vendor of such number of Ordinary Shares in the Company as the B Vendor would be entitled to in accordance with the provisions of Schedule 6.4.
- 16.3.2 an **"A Preference Share Put Option"** to the A Vendors, on similar terms to the B Preference Share Put Option except that it is exercisable after the 3rd anniversary of the Effective Date but before the 5th anniversary.
- 16.3.3 an **"Ordinary Share Put Option"** to the Vendors exercisable at any time after the 3rd anniversary of the Effective Date but before the 5th anniversary and as often as the Vendor may determine. Upon exercise of such Ordinary Share Put Option, the Company would purchase such number of A Ordinary Shares or B Ordinary Shares as are specified in the notice served by the Vendor, for a purchase price to be determined in accordance with the provisions of Schedule 6.5. Such purchase price would be satisfied both in cash and by the allotment to the Vendor of such number of Ordinary Shares in the Company as the Vendor would be entitled to in accordance with the provisions of Schedule 6.5.

In addition, each of the Vendors granted a **"Call Option"** to the Company to purchase, as one indivisible transaction all of the A Preference Shares, the B Preference Shares, the A Ordinary Shares and the B Ordinary Shares which are the subject of the unexercised put options. The Company would be entitled to exercise the Call Option at any time after the 5th anniversary of the Effective Date, whereupon the Company would purchase all of the A Preference Shares, the B Preference Shares, the A Ordinary Shares and the B Ordinary Shares on the same terms and conditions as would apply to a purchase made pursuant to the A Preference Share Put Option, the B Preference Share Put Option or the Ordinary Share Put Option. In addition, the Option Agreement contains various provisions relating to the early exercise of the various put options upon, for example, Nite Lite suffering an insolvency event. The Option Agreement also contains a provision that it shall lapse in its entirety if the Company sells its shareholding in Nite Lite to a third party. The Option Agreement is governed by the laws of the Republic of South Africa.

- 16.4 A sale of shares agreement between Parallel Mining Company (Proprietary) Limited (**"Parallel"**), Caudillo Limited (**"Caudillo"**), Motjoli and the Company dated 22 April 2005 (the **"Sale Agreement"**). By way of background, Caudillo had previously sold its Sold Shares and Sold Claims in Holfontein to Parallel. Pursuant to the Sale Agreement, Parallel agreed to sell and Motjoli and the Company (together the **"Purchasers"**) agreed to buy Parallel's Sold Shares and Sold Claims in Holfontein. The total purchase price is 21,000,000 Rand, but subject to adjustments in accordance with Clause 8. Pursuant to the Sale Agreement. A deposit of 3,000,000 Rand was paid by the Company into an escrow account on signing the Sale Agreement. The 18,000,000 Rand balance 30 days from date that the agent of the Purchasers has issued the preliminary report indicating that there is

at least 8,000,000 tons of saleable coal reserves found in the Holfontein area and that there are no outstanding environmental issues in the Holfontein area. Motjoli agreed to purchase 51% of the Sold Shares and Sold Claims and the Company 49%. The Sale Agreement is conditional upon, inter alia, the aforementioned preliminary report and the Purchasers are entitled to waive fulfilment of the conditions by giving the requisite notice. To date the conditions have not yet been fulfilled. If a condition is not fulfilled then, in general terms, the Sale Agreement will lapse, the deposit shall be repaid to the Purchasers and the Sold Shares and Sold Claims shall be transferred back into the name of Parallel. The Sale Agreement includes various warranties, representations and indemnities, including a warranty by Parallel that Holfontein has no less than 16,465,371 tons of saleable coal in the reserves. If there is less than this amount of saleable coal, the purchase price will be reduced in accordance with a formula set out in Clause 8.3. The Sale Agreement also provides that the Purchasers shall ensure that with effect from the date on which Holfontein first sells saleable coal mined from its seam 5 coal reserves, Holfontein shall pay to Parallel, from the time of commencement of commercial production, a quarterly development fee in respect of a maximum of 5,000,000 tons in aggregate of all saleable coal extracted from either its seam 5 or 4 or 2 coal resources.

16.5 A shareholders' agreement between Motjoli, the Company and Holfontein dated 22 April 2005 (the "**Shareholders Agreement**"), pursuant to which Motjoli and GVM agreed to regulate their relationship as shareholders in Holfontein. The Shareholders Agreement (with the exception of Clause 4 and Clauses 32 to 40 inclusive) is stated to be conditional upon, inter alia, the Sale Agreement becoming unconditional in accordance with its terms and the South African Reserve Bank having approved the offshore finance of 18,000,000 Rand for the purchase of the Holfontein interest pursuant to the Sale Agreement.

16.6 A letter of engagement dated 15 April 2005 between Beaumont Cornish and the Company whereby Beaumont Cornish agrees to act as Nominated Adviser in connection with the Admission. Under the terms of such engagement, Beaumont Cornish is entitled to the following fees (exclusive of applicable VAT and disbursements where applicable):-

16.6.1 a initial transaction fee of £10,000, which has been paid;

16.6.2 a fee of £10,000 immediately following the release of the 20 Day Announcement;

16.6.3 a fee of £25,000 immediately following Admission; and

16.6.5 for acting as ongoing Nominated Adviser following Admission, an annual retainer of £20,000.

In addition to the above fees, the Company agreed, on Admission becoming effective, to grant Beaumont Cornish warrants to subscribe for such number of Ordinary Shares in the Company as would equate to a value of £20,000 at a price equal to the pre-Admission share price (assuming no significant acquisition or fund-raising at that time). The letter also provides for further fees to be payable to Beaumont if, in the future, Beaumont Cornish should facilitate any fund raising by the Company.

- 16.7 A letter of engagement dated 16 November 2005 between Beaumont Cornish and the Company whereby Beaumont Cornish agrees to act as Broker. Under the terms of such engagement, Beaumont Cornish is entitled to a retainer of £5,000 per quarter (exclusive of applicable VAT and disbursements where applicable);
- 16.8 An agreement dated 16 November 2005 between (1) Beaumont Cornish (2) the Company and (3) the Directors (the "Nominated Adviser Agreement") under which the Company appointed Beaumont Cornish Limited to act as a Nominated Adviser to the Company. The Company will pay to Beaumont Cornish an initial annual retainer fee of £20,000 per annum.
- 16.9 A Cession of Claim Agreement dated 3 November 2005 between the Company and Koen de Rooster, whereby the Company sold Rand 5.5 million of Rand 8.5 million of its secured loans owed by SAMROC for Rand 2 million.
- 16.10 A share sale agreement between Intercontinental Financial Management Limited ("IFM") and the Company dated 12 December 2003, pursuant to which IFM agreed to sell 7,380 shares in Master Alloy Traders Limited ("MATS") for the consideration price of US\$1,400,000. At completion and in accordance with 4.2 of the agreement, IFM and the Company executed the security interest agreement pursuant to which IFM continued to be the registered owner of the shares pending settlement of the consideration. Under the agreement, GVM undertook to procure that MATS would declare dividends in each year following completion equivalent to 80% of distributable profits of MATS from its Agency Agreement dated 1 May 1996 and Technical Agreement dated 1 September 1999 with NiMag Group and that 66.7% of such dividends which relate to the shares in MATS acquired by the Company shall be paid to IFM until such time as the consideration is satisfied in full. At the present time US\$1,082,000 of the consideration remains outstanding. A payment of US\$166,666 was made during the first half of last year and a further payment of US\$151,333 was made during September 2005.
- 16.11 An agreement for the provision of depositary services and custody services in respect of the Company's depositary interest was entered into between Computershare Investor Services Plc ("**Computershare**") and the Company on 11 November 2005. The appointment of Computershare is for a fixed terms of three years and thereafter until terminated by either party with not less than six months notice.

17. LITIGATION

There are no legal or arbitration proceedings which are active, pending or threatened against, or being brought by, the Company or any Shareholder of the Group which are having or may have a significant effect on the Company's or the Group's financial position.

18. GENERAL

- 18.1 The auditors of the Company as at the date of this Announcement are Moore Stephens , who are registered company auditors and whose partners are members of the Institute of Chartered Accountants in Australia. During the previous financial year of the Company the Company resolved to change its auditors from KPMG to Moore Stephens , which took effect on 2 February

2005. The ASIC consented to the resignation of KPMG and to the appointment of Moore Stephens as the Company's auditors. The appointment of Moore Stephens will be put to shareholders for ratification at the Company's Annual General Meeting to be held on 25 November 2005.

GVM's securities were suspended from official quotation on ASX from 1 to 5 October 2004 for failure to lodge full year accounts for the period ending 30 June 2004. The principal cause of the delay was due to lack of coordination between the Company's South African and Australian Auditors in completing the Group Audit. The Company now has the same Audit Group in both South Africa and Australia.

- 18.2 The total costs and expenses payable by the Company in connection with Admission are expected to amount to approximately £100,000 (exclusive of any applicable value added tax).
- 18.3 Beaumont Cornish Limited has given and has not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which it appears.
- 19.4 David le Roux van Wyk of GeoCoal Services has given and has not withdrawn its written consent to the inclusion in this document of its report and of its name in the form and context in which they appear.

Dated 17 November 2005

APPENDIX 1

RISK FACTORS

The attention of prospective investors is drawn to the fact that ownership of shares in the Company involves a variety of risks. Before deciding whether to invest in Ordinary Shares, prospective investors should consider carefully the risks described below together with all the information contained in the Announcement.

The information below does not purport to be an exhaustive list or summary of the risks affecting the Group. Any one or all of the risks described below could have a material adverse effect on the value of the Company and an investor may lose part or all of his or her investment. Additional risks and uncertainties not currently known to the Directors, or which the Directors currently deem immaterial, may also have an adverse effect on the Company and the value of the Company's Ordinary Shares. Shareholders and investors should consider carefully whether an investment in the Company is suitable for them, in the light of the matters referred to in the Announcement, their personal circumstances and the financial resources available to them.

1. *Forward looking statements*

The Announcement contains forward-looking statements. These statements relate to the Company's future prospects, developments and business strategies. Forward-looking statements are identified by their use of terms and phrases such as "**believe**", "**could**", "**envisage**", "**estimate**", "**intend**", "**may**", "**plan**", "**will**" or the negative of those, variations or comparable expressions, including references to assumptions.

The forward-looking statements in this Document are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements. Certain risks to and uncertainties for the Company are specifically described above in this Document. If one or more of these risks or uncertainties materialises, or if underlying assumptions prove incorrect, the Company's actual results may vary materially from those expected, estimated or projected. Given these risks and uncertainties, potential investors should not place any reliance on forward-looking statements. These forward-looking statements speak only as at the date of the Announcement. Neither the Directors, the Company nor Beaumont Cornish undertake any obligation to update forward-looking statements or risk factors other than as required by the AIM Rules or by the rules of any other securities regulatory authority, whether as a result of new information, future events or otherwise.

2. *Volatility of share price*

The price at which Ordinary Shares trade may be highly volatile. In addition, international stock markets have from time to time experienced significant price and volume fluctuations that affect the market prices for securities. These fluctuations are likely to recur so that fluctuations in the price of Ordinary Shares may be unrelated to the Company's operating performance or prospects. General economic, political and market conditions may materially adversely affect the Company's share price. Furthermore, the Company's operating results and prospects may from time to time be below the expectations of management, market analysts and investors. Any of these events could result in a material decline in the price of Ordinary Shares.

3. *Suitability*
An investment in the Company may not be suitable for all potential investors. Accordingly, potential investors are advised to consult an investment adviser authorised under the Financial Services and Markets Act 2000 who specialises in investments of this kind before making their decision.
4. *Management and employees*
The success of the Group depends to a significant extent on key directors and employees. Although the Directors believe they have access to strength and depth in the management team, the loss of one or more of the key directors or employees could have an adverse effect on the Company. The Group faces competition in attracting and retaining qualified employees. The Group's ability to continue to compete effectively in its businesses will depend upon its ability to attract new employees and retain and motivate existing employees.
5. *Future expansion and acquisitions*
The Directors intend to grow the Group both organically and by acquisition. There can be no guarantee that the Directors will be able to agree the acquisitions of further suitable companies and/or businesses on acceptable terms nor any guarantee that the Company will be able to raise sufficient future finance at such time. Insofar as the Directors do agree further acquisitions on behalf of the Company, while they will seek to protect the Company by conducting full due diligence and agreeing suitable warranties and indemnities from the vendors, there can be no assurance that such new acquisitions could be successfully integrated into the Group. Under the AIM Rules, acquisitions over a certain size would constitute a reverse takeover, and therefore in the event that the Company announced such an acquisition prior to the publication of a re-admission document, the Company's Ordinary Shares would be suspended from trading on AIM. There are always risks that the benefits, synergies or efficiencies expected from such acquisitions or expansions may take longer than expected to be achieved or may not be achieved at all. Growth also brings substantial demands on management which are monitored by the Directors.
6. *Dilution of existing shareholders*
The Directors intend that the Company should be able to issue new Ordinary Shares as consideration for further acquisitions and/or raise additional working capital for the Group as required. Insofar as such new Ordinary Shares are not offered first to existing shareholders, then their interests in the Company will be diluted.
7. *Regulatory environment*
Existing and future legislation, regulation and actions could cause additional expense, capital expenditure, restrictions and delays in the activities of the Group, the extent of which cannot be predicted. No assurance can be given that new laws, rules and regulations will not be enacted or existing laws, rules and regulations will not be applied in a manner which could limit or curtail certain of Group's services.
8. *Commercial Risks*
Like many companies, the Company faces commercial risks such as competition, litigation, industrial disputes, head tax and revenue changes, operational risks and liabilities. Commercial risk may also be associated with adverse industrial action.

9. *Reliance on third parties*

The Company has entered into various distribution and agency agreements as well as supply agreements in relation to raw materials all of which are required for its operations. The Company will be likely to enter into similar agreements in new markets it decides to enter. The loss or expiration of these contracts or any inability to find suitable alternate providers or renew or negotiate contracts with those providers at comparable rates could harm the Company's business.

10. *Economic Conditions*

Economic conditions, both domestic and global, may affect the performance of the Company. Factors such as currency fluctuation, inflation, interest rates, supply and demand and industrial disruption have an impact on operating costs, and share market prices. The Company's future possible revenue and share price can be affected by these factors all of which are beyond the control of the Company and the Directors. In addition, the Company's ability to raise additional capital, should it be required, may be affected.

11. *Financing Risks*

The development of the Company's business depends upon the Company's ability to obtain financing of its operations, through private placement financing, public financing or other means. There is no assurance that the Company will be successful in obtaining finance to satisfy its on-going capital requirements or will be able to realise the current value of its investments.

12. *Investment Risk*

Although the Ordinary Shares are to be admitted to trading on AIM this should not be taken as implying that there will be a liquid market in the Ordinary Shares. The Ordinary Shares will not be listed on the Official List. Accordingly, in certain circumstances, an investment in the Ordinary Shares may be difficult to realise.

Investors should be aware that the value of the Ordinary Shares may be volatile and may go down as well as up and investors may therefore not recover their original investment. In addition, the market price of the Ordinary Shares may not reflect the underlying value of the Company's net assets. The price at which investors may dispose of their Ordinary Shares may be influenced by a number of factors, some of which may pertain to the Company and others of which may be outside the Group's control.

13. *Absence of dividends*

The Company has never paid a dividend on the Ordinary Shares and does not expect to do so in the short to medium term.

14. *Small Customer Base*

In excess of 60% of total sales of the NiMag group comes from 3 customers. Loss on any one of those customers could have a material effect on the Groups profitability.

15. *Volatility of metal prices and exchange rates*

Historically, metal prices have displayed wide ranges and are affected by numerous factors over which the Company does not have any control. These include world production levels, international economic trends, currency exchange fluctuations, expectations for inflation,

speculative activity, consumption patterns and global or regional political events. The aggregate effect of these factors is impossible to predict.

The market for some metals is relatively illiquid and small purchases or sales of the metals can have a material impact on the price, resulting in a higher volatility and distorting the price away from the fundamental supply-demand balance.

There is also uncertainty as to the possibility of increases in world production both from existing mines and as a result of mines currently closed being reopened in the future if price increases make such projects economic.

Consequently as a result of the above factors, price forecasting can be difficult to predict or imprecise.

A significant portion of the Group's activities, both within sales and cost of sales, are denominated in foreign currency, primarily USD. Movements on the currency can accordingly have a material impact on profitability. The Group does not record foreign currency denominated transactions strictly in accordance with GAAP, but audit adjustments at year end eliminate the impact on net profit after tax.

16. *Governmental regulations and processing licences*

Governmental approvals, licences and permits are, as a practical matter, subject to the discretion of the applicable governments or governmental offices. The Company, and where appropriate the Subsidiaries must comply with known standards, existing laws and regulations that may entail greater or lesser costs and delays depending on the nature of the activity to be permitted and the interpretation of the laws and regulations implemented by the permitting authority. New laws and regulations, amendments to existing laws and regulations, or more stringent enforcement of existing laws and regulations could have a material adverse impact on the Company's results of operations and financial condition.

The Company's minerals processing activities are dependent upon the grant of appropriate licences, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to limitations. There can also be no assurance that they will be renewed upon expiry or if so, on what terms.

17. *Environmental factors*

The Group's operations are subject to environmental regulation (including regular environmental impact assessments and permitting). Such regulation covers a wide variety of matters, including, without limitation, prevention of waste, pollution and protection of the environment, labour regulations and worker safety. The Group will also be subject, under such regulations, to clean-up costs and liability for toxic or hazardous substances which may exist on or under any of its properties or which may be produced as a result of its operations. Environmental legislation and permitting are likely to evolve in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their directors and employees.

18. *Development projects*

Development projects have no operating history upon which to base estimates of future cash operating costs. For development projects, estimates of proven and probable reserves and cash operating costs are, to a large extent, based upon the interpretation of geological data obtained from drill holes and other sampling techniques and feasibility studies which derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, expected recovery rates, comparable facility and equipment operating costs, anticipated climatic conditions and other factors. As a result, it is possible that actual cash operating costs and economic returns may differ from those currently estimated.

19. *Exploration and Mining*

The future viability and profitability of the Company will be dependant on a number of factors which includes the inherent risks in exploration and mining such as the successful exploration and identification of ore reserves, satisfactory performance of mining operations the requirement to obtain and maintain appropriate licences and rights. These risks are further compounded by commodity prices and exchange rates, the risk of adverse changes in legislation and environmental issues.

20. *Title*

Risk arising because of native title and aboriginal land rights which may affect the Company's ability to gain access to prospective exploration areas to obtain production titles. Compensatory obligations may be necessary in settling native title claims lodged over any of the tenements held or acquired by the Company. The level of impact of these matters will depend, in part, on the location and the status of the tenements acquired by the Company.

21. *Conflicts of interest*

Certain of the directors and officers of the Company also serve as directors and/or officers of other companies involved in mineral exploration and development and consequently there exists the possibility for such directors and officers to be in a position of conflict. The Company expects that any decision made by any of such directors and officers involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders, but there can be no assurance in this regard.

22. *Investment Speculative*

The list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The risk factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Ordinary Shares.

APPENDIX 2

COMPETENT PERSONS REPORT

Independent Persons Report on the Holfontein Exploration

Property compiled by:

GeoCoal Services

Munere Aures Trust (IT 5961/96) Trading as above:
Fax/Telephone 27 11 478 1919 Cell 0828526522
e-mail dawievw@icon.co.za Postal address P. O. Box 4146 Northcliff 2115

This report was compiled on the 11th of October 2005 for:

The Directors

GVM Metals Limited
173 Mounts Bay Rd Crawley
Western Australia 6009

Project GVM GCS 283
GeoCoal Services
67A Mountainview Drive
Northcliff 2195
Johannesburg

and
The Directors
Beaumont Cornish Limited
5th Floor
10-12 Copthall Avenue
London EC2R 7DE

and

The Directors
Holfontein Investments (Pty) Ltd
6th Floor, 11 Diagonal Street
Johannesburg 2000
South Africa

and

The Directors
Motjoli Resources
11 Diagonal Street
Johannesburg 2000
South Africa



Report Author

Reviewed by: C Telfer Director
Venmyn.

Executive Summary

The author of this report visited the Holfontein Project, on 15th June 2005. This project falls within the South African Highveld Coal Field immediately east of the town of Kinross in South Africa. Sasol Mining is currently mining both No 4 and No 5 seams, immediately south of the Holfontein project Area. The Highveld Coal Field is estimated to contain about 20 billion insitu tons of coal resources or about 16% of South Africa's estimated coal resources (> 90 billion). The Holfontein project area contains two economic coal seams, the metallurgical coal seam named the No 5 Seam and the thermal low-grade bituminous coal seam named the No 4 Seam. The current study was based on 19 boreholes covering an area of 1,328 hectares. GeoCoal Services was commissioned by GVM Metals Ltd in June 2005 to evaluate and report on the 19 boreholes drilled on the Holfontein project and prepare a 'SAMREC' (South African Code for Reporting of Mineral Resources and Mineral Reserves) and 'JORC' (The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves) compliant reports on Holfontein. In September 2005, additional information which included the original borehole logs were made available to GeoCoal Services and GeoCoal Services was commissioned by GVM Metals Ltd. using the additional information to prepare a technical review of the Holfontein project that would satisfy AIM's requirements.

The aim of the Holfontein project is twofold. To supply coal to Eskom which is currently experiencing a shortage of coal at a number of local power utilities and is buying in coal with qualities typical to that of the Holfontein No 4 Seam. To supply metallurgical low phosphorus coal to the South African Ferro-steel market which is always in short supply of this type of coal.

Exploration Budget

An exploration budget to enable a bankable feasibility to be done on this project has been approved and amounted to ZAR 5,992,800 (five million nine hundred and ninety two thousand eight hundred Rand).

Table of Contents

Definitions

1. Introduction

- 1.1 Qualification of Consultant
- 1.2 Report Methodology
- 1.3 Holfontein Investments (Pty) Ltd.
- 1.4 License status
- 1.5 Regional geology
- 1.6 Coal deposits in South Africa and the Highveld Coalfield

2. Holfontein Project

- 2.1. Location
- 2.2. Physical Description
- 2.3. Geology of the Holfontein project area
- 2.4. Historical work and information
- 2.5. Study by GeoCoal Services
- 2.6. Future work programme
- 2.7. Nature of evidence
- 2.8. Production Schedule

3. List of Figures

- 3.1. SAMREC – JORC resources reserves tabulation
- 3.2. Coalfields of South Africa
- 3.3. Location plan
- 3.4. Topographical plan
- 3.5. Outline of project area and borehole locations
- 3.6. Structural plan 5 Seam
- 3.7. Structural plan 4 Seam
- 3.8. Typical Section
- 3.9. Typical profile

4. List of tables

- 4.1. Resource Statements
- 4.2. Data base summary
- 4.3. Washing simulation output

5. List of Annexures

- 5.1. Holfontein Investments (Pty) Ltd. registration certificate
- 5.2. Holfontein Investments (Pty) Ltd. certificate to commence business

GeoCoal Services

Mimere Aurea Trust (IT 5961/96) Trading as above:
Fax/Telephone 27 11 478 1919 Cell 0828626522
e-mail dawieww@icon.co.za Postal address P. O. Box 4146 Northcliff 2115

Independent Technical Review of GVM Metals Ltd. & Holfontein Investments (Pty) Ltd's Holfontein Coal Exploration Project

1. Introduction

GeoCoal Services was commissioned by GVM Metals Ltd in June 2005 to evaluate and report on the 19 boreholes drilled on the Holfontein project and prepare 'SAMREC' and 'JORC' compliant reports on Holfontein. In September 2005, additional information which included the original borehole logs were made available to GeoCoal Services and GeoCoal Services was commissioned by GVM Metals Ltd. using the additional information to prepare a technical review of the Holfontein project that would satisfy AIM's requirements.

1.1. Qualification of Consultant

GeoCoal Services is a South African based consultancy that has as its proprietor David le Roux van Wyk. David (see attached CV) has more than 25 years experience in the South African Coal industry. He has a B.Sc. Geology from Rhodes University; is a past president, fellow and member of the GSSA. GSSA He is a council and executive member of the South African Council for Natural Scientists and has written a number of published and unpublished articles on coal. He is also a qualified coal plant operator. GeoCoal also uses as associates a number of suitably qualified and registered geologists, lawyers and draftspersons to write and compile reports.

Neither GeoCoal nor any of the associates employed in the preparation of this report have any beneficial interest in the assets of Holfontein Investments (Pty) Ltd or GVM Metals Limited. GeoCoal Services' independence is assured by the fact that it holds no equity in any project and only derives income from CPR's,

1.2. Report methodology

The author of the report used the JORC and SAMREC guidelines for resource and reserve estimation. These reports have been previously written and submitted to GVM Metals Ltd. and copies are available. The site was visited, copies of 19 borehole logs and analyses were provided by the client and information in a previous report written by Jac le Roux (Pr Sc. Nat.) was used in compiling this and the JORC/SAMREC reports. The detailed definitions and methodology used in calculating the reserves and the resources are contained in the attached JORC compliant report (See fig 3.1).

1.3. Holfontein Investments (Pty) Ltd.

This company was established in March 1989 and its registration number is 89 01765 07 (Annexure 1) and its certificate to commence business was granted in March 1989. (Annexure 2) Holfontein Investments, on 25th of April 2005 has lodged a new order

1.4. License status

At the time this report was written initial approval of the prospecting permit application had been granted by the DME in Witbank. Holfontein Investments (Pty) Ltd. were still awaiting final awarding of the prospecting permit which is expected to be finalised within the next few weeks.

1.5. Regional Geology

The Highveld Coalfield is one of South Africa's seventeen major coalfields. It is estimated to contain nearly 20 billion tons or 16% of South Africa's coal resources. The Ecca Sea transgressed the Karoo basin and shelf shales characterize the formation of this sequence named the Vryheid formation. The Vryheid Formation lies unconformably on the Dwyka Formation as seen in some parts of the Standerton area. The Coal bearing Vryheid Formation ranges in thickness from 80m to 300m. The No 1 Coal Seam is poorly developed to absent in the Highveld Coalfield. The No 2 Coal Seam genetic sequence above the Pietermaritzburg shales comprises of sandstones and granule stones and carbonaceous siltstone often with coal lamina. This sequence is capped by the No 2 Coal Seam, which is well developed in the Kriel area. The No 4 Coal Seam genetic sequence is from the roof of the No 2 Coal Seam to the roof of glauconitic sandstone above the Number 4 Upper Coal Seam. The upward coarsening unit is capped by the No 3 Coal Seam which is in turn overlain by an upward fining unit, capped by the No 4 Coal Seam. Marine transgression took place in an upward coarsening sequence above the No 4 Upper Coal Seam. The No 5 Coal Seam genetic sequence is from the roof of the No 4 Upper Coal Seam (glauconitic) to the roof of the No 5 Coal Seam (glauconitic) and consists of an upward coarsening cross-bedded sandstones. Above the Number No 5 Coal Seam is an upward fining sequence of sandstones.

1.6. Coal Deposits in South Africa and the Highveld Coalfield

South Africa contains 5% (88 billion) of the world's bituminous coal resources and produces annual approximately 250 million tons which places it 5th in the World's hard coal production. The Highveld Coalfield currently produces more than a third of South African production.

2. Holfontein project

2.1. Location

The Holfontein project lies into the South African Highveld Coal Field immediately east of the town of Kinross in South Africa. SASOL is mining both economic seams immediately south of the Holfontein project Area. The area is well served by infrastructure such as rail, road and electricity as it is in the heart of the coalfield.

2.2. Physical Description

The Holfontein Coal project is a mineable coal deposit consisting of two mineable coal seams, the No 5 seam, which is a coking coal, and the No 4 Seam, which is a low-grade steam coal. Both cattle and crop farms occupy the surface area. The shallowest coal is about 45 meters deep the deepest seam is about 150 meters deep. The No 5 seam has an average width of 1.8 meters and the No 4 Seam has an average width of 3.0 meters.

2.3. Geology of the Holfontein project area

Five Coal Seams are recognized in the Highveld Coalfield. The No 4 Coal Seam is the only economically mineable seam over the whole Highveld Coalfield area. The No 2 Coal Seam is only economically mineable in some areas (northern and western portions) of the Highveld Coalfield. The Number 5 coal seam is only economically mineable in the northern portions of the Highveld Coalfield. The Number 3 Coal Seam is mined by SASOL where it joins the No 4 Lower Coal Seam (eastern portions) and where the interburden is less than 0.5m. It is typically mined for the export market.

2.4. Historical work and information

The first large mines in this area were developed in the mid 1970's to supply coal to the Matla and Kriel power stations. SASOL established 4 collieries in 1976, growing to 7 collieries by 1986 to mine low-grade coal to produce fuel and chemicals from the unique SASOL coal gasification process. Granite and felsite ridges bound the eastern part of the coalfield. The north western portion of the coalfield is not well defined. Outcrops of granite and WITS rocks are found towards the west and south west. The Pre-Karoo Basement undulates and causes differential compaction resulted in the thinning and pinching out of some of the coal seams

2.5 Study by GeoCoal Services

2.5.1. Location of project: The Client provided location plans showing the extent of the properties and the positions of all boreholes in a hard copy of a report by J le Roux dated 6 June 1999. Three boreholes were also obtained from the Geosciences Council in Pretoria, but were old and not used in the evaluation. A borehole profile as an example of the level of geological expertise was supplied in the report and was of a high standard. It has been assumed that most of the geological logging and sampling was done to this standard. 2.5.2. Geological data: Geological data was supplied by the client, as a hard copy of a geological report with financial evaluation. This report contained some borehole co-ordinates, and summaries of the No 5 Seam and the No 4 Seam coal depths and widths. A number of borehole co-ordinates had to be scaled off the plan supplied, as they were not included in the documentation. A database of 19 boreholes was created with analyses of 27 samples, of 9 of the 19 boreholes. The analyses of the parting between the top ply and bottom ply of the coal seam was not provided and dummy values were used. No detailed geological logs or profiles were made available thus the structural interpretation of the coal/dolerite sill intersections is still at a low level of confidence.

2.5.3. Coal quality: Data, at defined RD's of 1.40, 1.50, 1.60, and Raw were supplied for the 9 boreholes mentioned above, as hardcopy only. RD's were applied to the volumes to provide tonnages. Values used were generally applicable to the No 5 and the No 4 seams in the Highveld area. There was no original borehole data for any validations to be done on the data contained in the report. Normal Ash CV regressions were used to validate the analyses. The cut-off parameters used for the tonnage calculations were, farm boundaries, an underground mining cut-off of 1.6 m seam-width, 28 d.a.f. VM, and dolerite sills. The style and nature of the coal deposit is well known and is described in the main body of the report (SAMREC Code, 5.2.1). Surfer software was used to do the geological modelling. The geological discount factor used was 15%, mining loss of 10%, methodology loss of 2% and a 3% dilution during mining. All qualities and tonnages are reported on an air-dry basis. Practical plant yields were calculated using a 6% slimes loss and 2% liberation factor i.e. 92% plant efficiency. (See tables 4.1, 2 & 3)

2.5.4. Resource Statement

The coal tonnages and qualities as described in this report would be classified as "Indicated Resources" according to JORC.

2.6. Future work programme

Once the final permit approval has been granted, (expected within the next few weeks)

The drilling and ground geophysics programmes will be initiated. These have been budgeted for in the DME permit application. The main purpose of the drilling program is to increase the geological confidence levels so that there is enough information to do a feasibility study. The ground geophysics will help delineate the dolerite sills and dykes.

2.7. Nature of evidence

The level of confidence and the categories applicable to the resources are in the order of 70%. The geological methodology used in evaluating the Holfontein resource is standard practice in the Highveld coalfield. This is done by drilling vertical cored boreholes through the overburden to intersect the coal seams. The coal is then analysed and all the physical and analytical data is then used to forecast coal limits, tonnages and qualities. All the labs are certified, samples are done in duplicate and there are continuous round robins between labs. An excel data base is available with all the drilling results. The main report contains plans showing the location of all boreholes. Jac le Roux (Pr. Sci. Nat.) logged the boreholes. GeoCoal Services did the geological modelling and Coal Analytical (Pty) Ltd did the coal analyses.

2.8. Proposed Production Schedule timing

Anglo American is mining the No 5 seam at a number of Collieries in the area. SASOL & Forzando are both mining the No 4 Seam using Continuous Miners. Continuous miners are the favoured method of mining in South Africa. Production varies with seam conditions and mining widths. The No 5 seam in this area could conservatively be expected to be mined at a rate of 40 000 tons per section. New mines in the Witbank area where the seam width exceeds 2.0 meters, typically the No 4 Seam, are planned at 60 000 tons per section. If the seam width is less than 1.8 meters production is planned at 40 000 tons per section.

Proposed market. Currently Eskom (the state electricity utility) have a shortage of thermal coal and are buying in as much low-grade thermal coal as can be produced in the Highveld coalfield. Low phosphorus metallurgical coal is in short supply in South Africa and local production is being augmented with imported coking coal.

The South African coal mining industry is a mature industry and a number of technical and mining contractors are available to plan and operate the production of a new mine. The South African Coal Report and various mine visits have been used to arrive at all the estimates. The commencement of mining is anticipated to be as soon as the Mining Permit has been approved. This normally takes six months to prepare and six to nine months for approval.

- 2.9. The valuation procedure on un-mined coal properties in South Africa that are classified as a resource is problematical, as no financial feasibilities have been completed. The normal policy is 'deemed market value' or 'willing buyer willing seller.' Coal deposits like Holfontein No 5 Seam would be traded at approximately R1.50 per mineable insitu ton of coal. This would indicate value of about R 29 000 000 for the Holfontein 5 Seam coal

deposit. Coal deposits like the Holfontein No 4 Seam would be valued at R 1.00 per insitu tons of coal. This would indicate a value of about R 37 000 000.

Neither GeoCoal Services nor D le R van Wyk have any equity or interest in the Holfontein Project besides the fees paid for geological consulting. The client provided all the data the study was based on and it has been assumed that this data is accurate and reliable. Confirmation of the boreholes by the Geosciences Council in Pretoria was negative, as none of the data had been lodged with the Council. The author has drilled boreholes on neighbouring properties and consulted with the SASOL geologists who have confirmed the presence of the Holfontein coal deposit.

11 10 2005

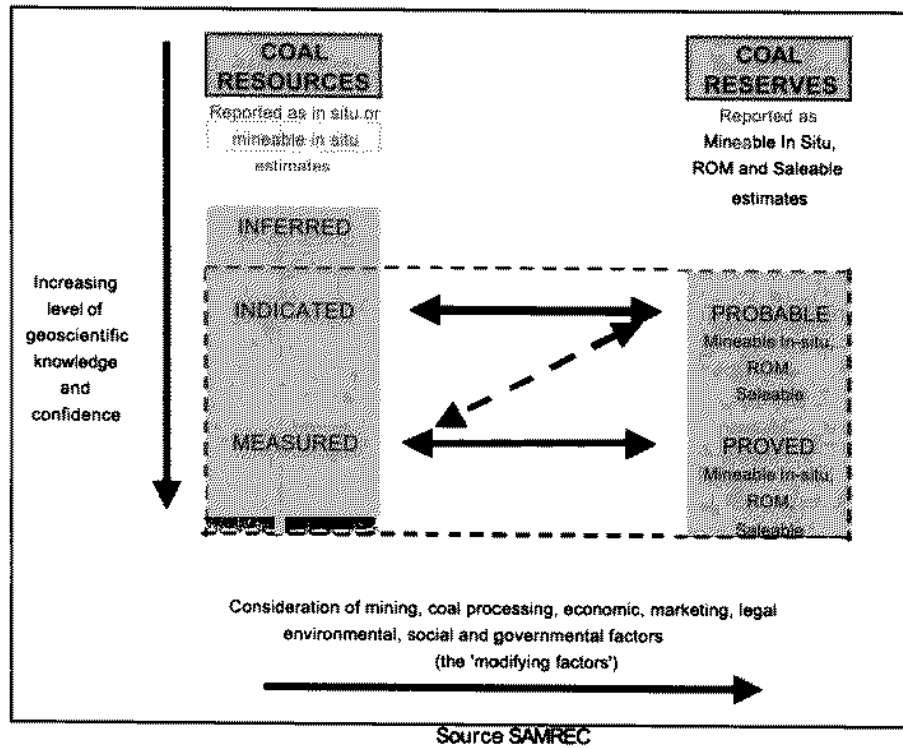
A handwritten signature in black ink, appearing to read 'D le R van Wyk', with a stylized flourish at the end.

D le R van Wyk

B.Sc. (Geol), Pr. Sci. Nat. (401964/83), FGSSA, MGSSA

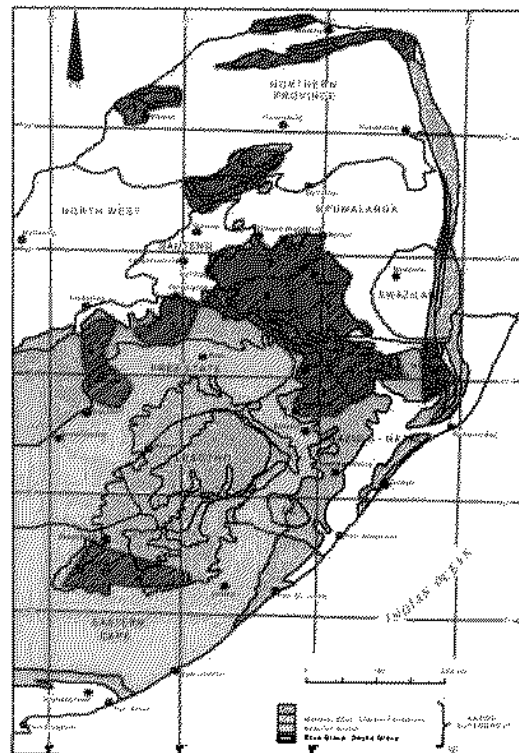
Disclaimer: GeoCoal Services has made every attempt to find and use all the geological information available to do a geological assessment on the Holfontein Resources. GeoCoal cannot accept liability if any information exists that was not made available that could change the contents of this report and of the conclusions made by GeoCoal Services.

3 Figures Holfontein Report



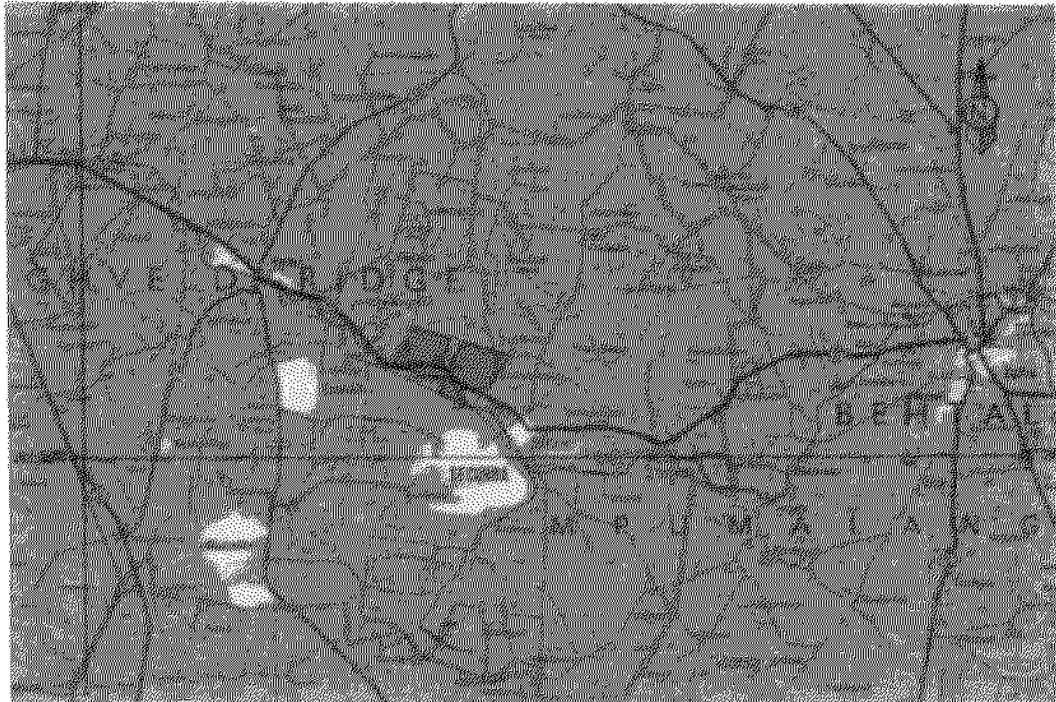
3.1. SAMREC – JORC resources reserves tabulation

- 1 Limpopo
- 2 Waterberg
- 3 Soutpansberg
- 4 Springbok Flats
- 5 Witbank
- 6 OFS
- 7 Vereeniging-Sasolburg
- 8 South Rand
- 9 Highveld
- 10 Eastern Transvaal
- 11 Klip River
- 12 Vryheid
- 13 Kwazulu
- 14 Utrecht
- 15 Kangwane
- 16 Nongoma
- 17 Molteno



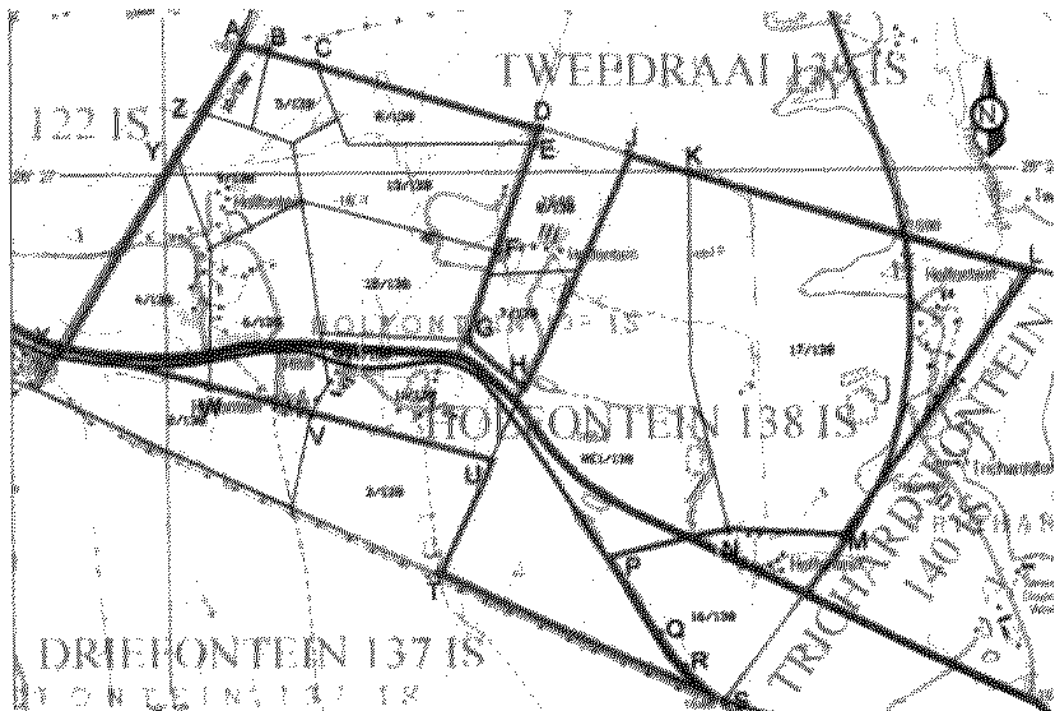
@ Copyright GeoCoal Services

3.2. Coalfields of South Africa



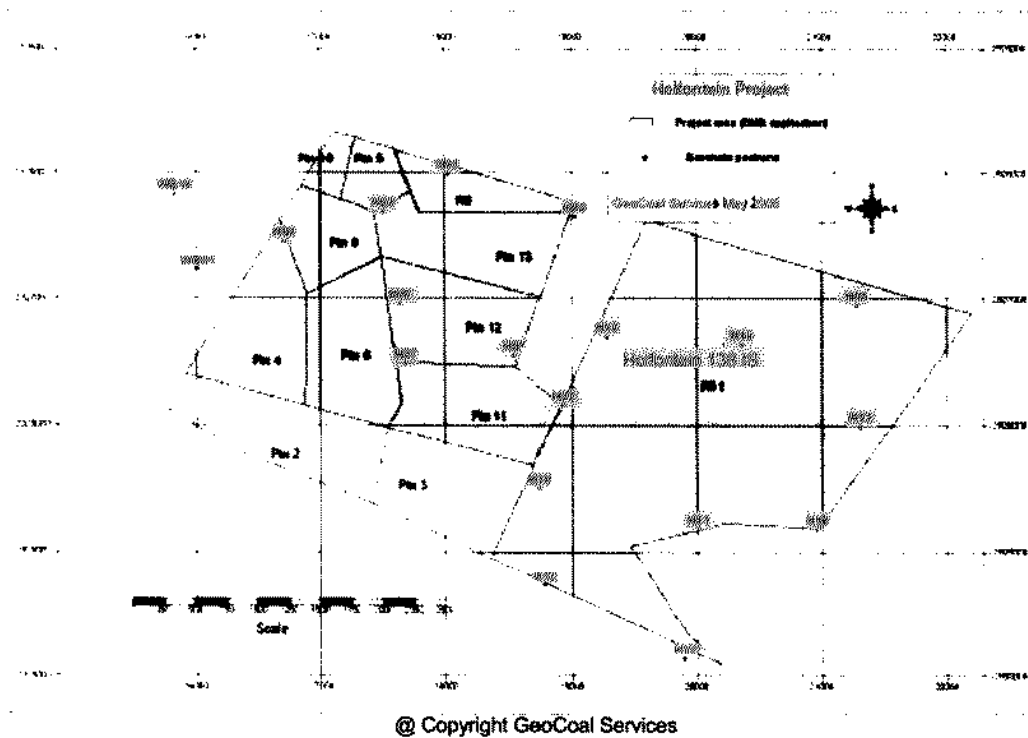
Source East Rand 250 000 topographical map

3.3. Location plan showing Holfontein

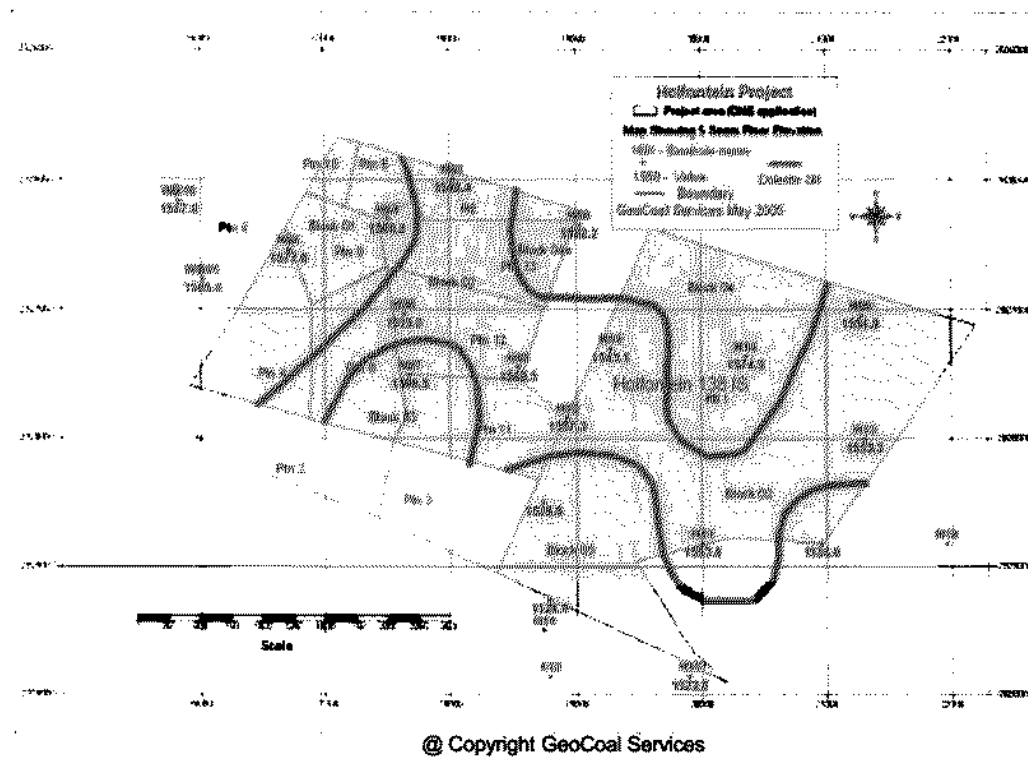


Source 1 50:000 topographical map Holfontein

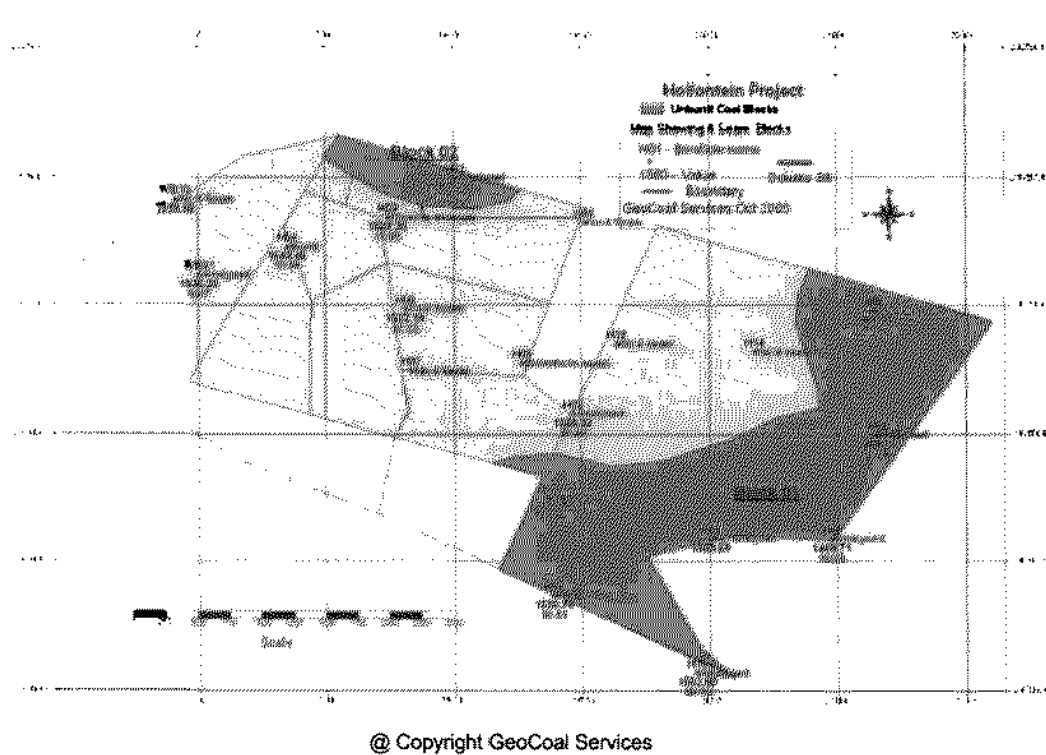
3.4. Topographical plan of Holfontein



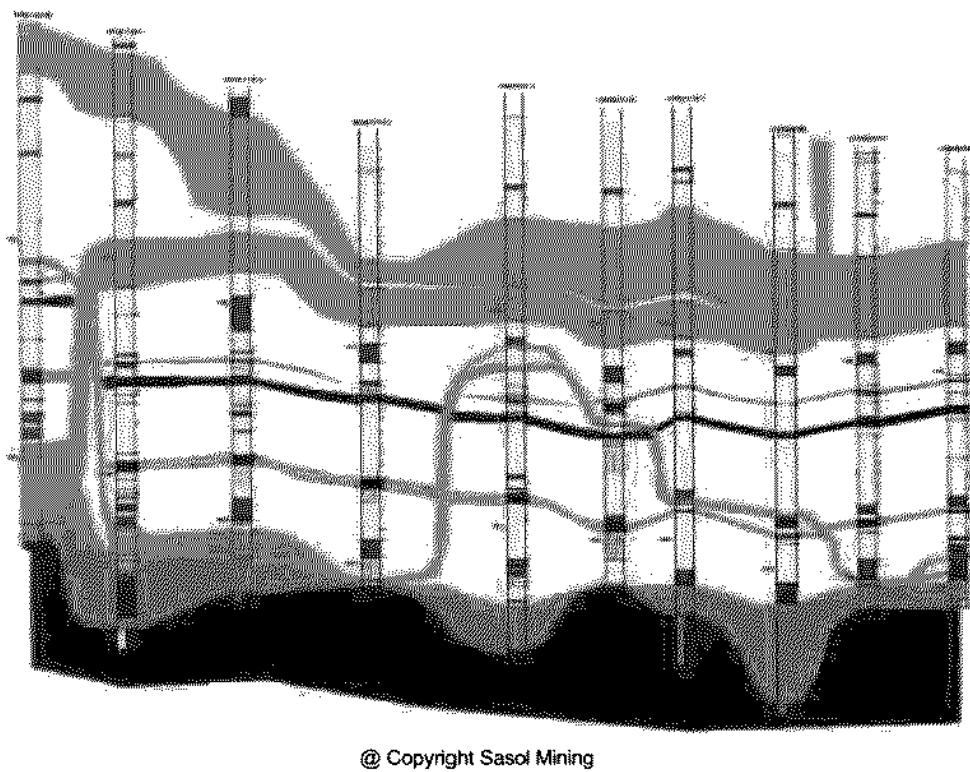
3.5. Outline of project area and borehole locations



3.6. Structural plan 5 Seam

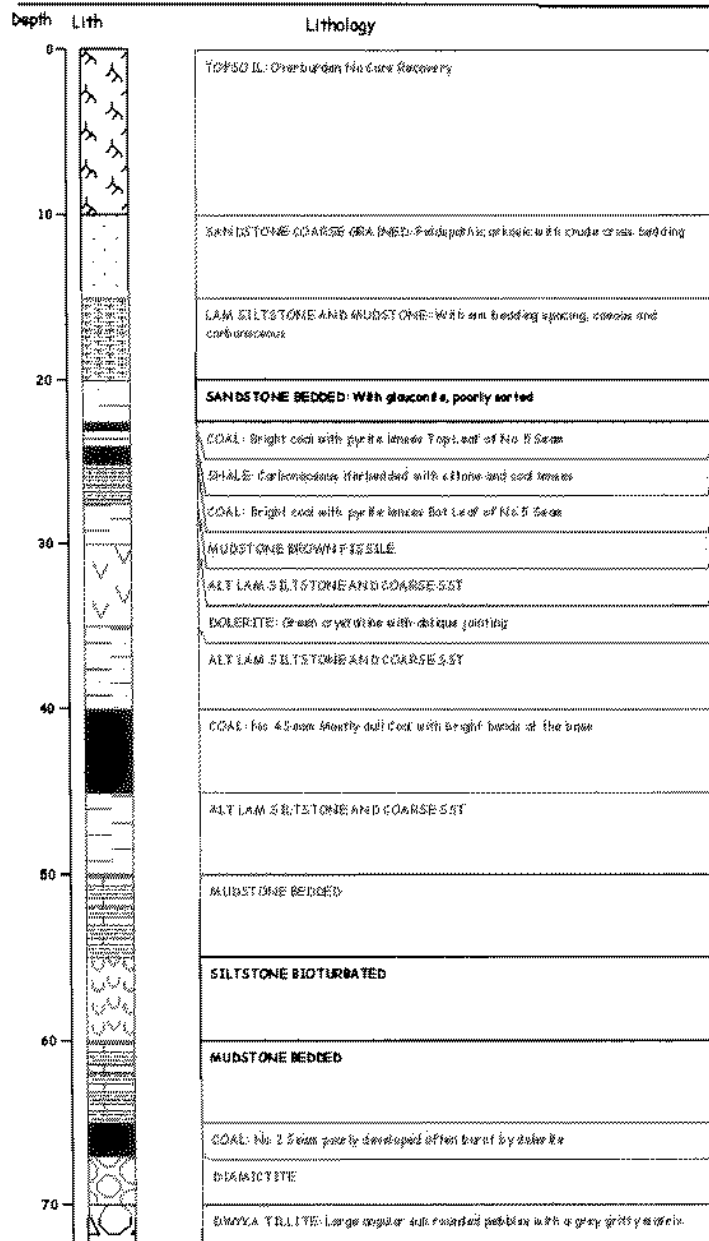


3.7. Structural plan 4 Seam



3.8. Typical Cross Section Highveld Coalfield

Typical geological profile Highveld Coalfield Annexure 1



@ Copyright GeoCoal Services

3.9.

Typical profile Highveld Coalfield

4. List of tables

4.1 Resource Statements

Resource Statement 5 Seam Holfontein							
Block Number	Area	Volume	Ave width	RD	Gross insitu tons	Geological Losses 15%	Mining Losses 10%
Block01	1,637,188	3,711,049	2.27	1.43	5,306,800	796,020	530,680
Block02	4,783,750	8,644,796	1.81	1.43	12,362,058	1,854,309	1,236,208
Block04a	237,500	421,811	1.76	1.43	603,190	90,479	60,319
Block04	1,538,750	2,537,883	1.65	1.43	3,629,172	544,376	362,917
Block05	1,456,250	2,389,484	1.64	1.43	3,416,962	512,544	341,696
Total	9,653,438	17,705,023			25,318,183	3,797,727	2,531,818
	Method Losses 2%	Mineable insitu tons	Extraction 85%	Contamination 3%	ROM Tons	Practical Yield	Sales Tons
Block01	106,136	3,873,964	3,292,869	98,786	3,391,656	47	1,606,030
Block02	247,241	9,024,303	7,670,657	230,120	7,900,777	51	3,990,524
Block04a	12,064	440,329	374,280	11,228	385,508	51	194,712
Block04	72,583	2,649,296	2,251,901	67,657	2,319,458	51	1,171,512
Block05	68,335	2,494,382	2,120,225	63,607	2,183,832	50	1,097,987
Total	506,359	18,482,274	15,709,933	471,296	16,181,231		8,060,766

Resource Statement 4 Seam Holfontein							
Block Number	Area	Volume	Ave width	RD	Gross insitu tons	Geological Losses 15%	Mining Losses 15%
Block01	4,042,353	15,780,362	3.90	1.80	28,404,651	4,260,698	4,260,698
Block02	390,613	1,887,446	4.32	1.80	3,037,403	455,610	455,610
Total	4,432,975	17,467,808			31,442,054	4,716,308	4,716,308
	Method Losses 2%	Mineable insitu tons	Extraction 65%	Contamination 3%	ROM Tons	Practical Yield	Sales Tons
Block01	568,093	18,315,163	12,554,856	376,646	12,931,502	95	12,284,926
Block02	60,746	2,065,434	1,755,619	52,669	1,808,287	98	1,772,122
Total		21,380,597	14,310,475	429,314	14,739,789		14,057,048

4.2. Database summary

Y Co-ord	X co-ord	BH ID	5 Seam roof	5 Seam floor	5Seam width	CV @ 1.6	Yield @ 1.6
18022	-2925990	H01	64.75	66.84	2.09	27.89	59.44
18935	-2927840	H02	86.39	89.34	2.95	29.51	59.82
17495	-2926300	H03	47.35	49.78	2.43	28.07	44.67
16709	-2926530	H04	48.88	50.84	1.96	27.04	55.23
18540	-2927450	H05	101.62	103.42	1.80	27.46	47.45
17629	-2927030	H06	88.24	90.17	1.93	27.28	52.80
17675	-2927510	H07	75.43	75.44	0.01		
19030	-2926340	H08	45.52	47.29	1.77		
21280	-2927040	H09	45.00	46.20	1.20		
18740	-2928500	H10	113.30	113.70	0.40		
20010	-2928820	H11	71.15	71.45	0.30		
18780	-2929260	H12	96.58	98.63	2.05		
21310	-2928005	H13	46.45	48.15	1.70		
20360	-2927360	H14	30.35	31.85	1.50		
19900	-2929860	H17	121.90	124.40	2.50		
19280	-2927300	H18	86.60	88.55	1.95		
20960	-2928820	H19	80.65	82.65	2.00	28.19	65.39
16020	-2926760	WB01	71.58	73.53	1.95	28.59	56.66
15835	-2926160	WB10	89.87	91.89	2.02	28.48	49.27
Y Co-ord.	X co-ord.	BH ID	4 Seam roof	4 Seam floor	4 Seam width	Raw CV	Raw Vols.
18022	-2925990	H01	89.99	94.31	4.32	22.61	29.25
18935	-2927840	H02	113.85	117.68	3.83	20.27	30.64
17495	-2926300	H03	87.21	89.22	2.01	4.06	11.80
16709	-2926530	H04	79.05	83.35	4.30	15.12	10.94
18540	-2927450	H05					
17629	-2927030	H06	121.35	122.65	1.30	17.36	11.22
17675	-2927510	H07					
19030	-2926340	H08					
21280	-2927040	H09	101.50	105.21	3.71	19.16	35.93
18740	-2928500	H10	158.22	161.95	3.73	23.67	32.20
20010	-2928820	H11	136.74	141.31	4.57		
18780	-2929260	H12	81.19	85.24	4.05	23.51	30.51
21310	-2928005	H13	108.75	111.69	2.94	21.48	20.00
20360	-2927360	H14					
19900	-2929860	H17	88.47	92.10	3.63	24.41	30.76
19280	-2927300	H18					
20960	-2928820	H19	130.85	135.29	4.44	17.50	30.05
16020	-2926760	WB01	98.65	100.80	2.15	23.88	8.07

4.3

Washing simulation output

5 Seam wash simulation @ RD 1.6

Hole Id	Product RD	Moisture	Ash	Volatiles	Fixed Carbon	Sulphur	CV	Yield	Raw RD
H01	1.6	5.8	9.45	33.59	51.16	0.39	27.89	59.44	1.48
H02	1.6	3.06	7.06	36.75	53.13	0.6	29.51	59.82	1.47
H03	1.6	4.64	9.65	35.21	50.49	9.06	28.07	44.67	1.48
H04	1.6	5.3	10.44	33.6	50.66	0.35	27.04	55.23	1.48
H05	1.6	3.89	13.15	33.93	49.03	1.51	27.46	47.45	1.48
H06	1.6	3.82	12.17	32.43	51.58	1.07	27.28	52.8	1.49
H19	1.6	4.18	9.61	34.27	51.93	1.19	28.19	65.39	1.49
WB1	1.6	4.73	8.79	34.56	51.93	0.73	28.59	56.66	1.49
WB10	1.6	3.49	12.13	28.96	55.43	0.8	28.48	49.27	1.49

4 Seam raw wash simulation @ RD2.0

Hole Id	Moisture	Ash	Volatiles	Fixed Carbon	DAFVM	CV
H01	5.80	18.65	22.10	53.45	29.25	22.61
H02	4.20	18.83	23.58	53.39	30.64	20.27
H03	12.80	38.90	5.70	42.60	11.80	4.06
H04	7.30	41.50	5.60	45.60	10.94	15.12
H06	3.93	38.94	6.41	50.72	11.22	17.36
H09	4.00	33.10	22.60	40.30	35.93	19.16
H10	4.44	20.69	24.11	50.77	32.20	23.87
H12	5.96	20.26	22.51	51.27	30.51	23.51
H13	4.08	28.91	13.40	53.60	20.00	21.48
H17	5.20	17.78	23.69	53.32	30.76	24.41
H19	4.85	19.68	22.68	52.79	30.05	23.88
W122	9.21	39.38	4.15	47.26	8.07	20.11
WB01	3.20	15.00	9.30	72.50	11.37	17.50

5. List of Annexures

5.1. Holfontein Investments (Pty) Ltd. Registration Certificate

CN1

REPUBLIC OF SOUTH AFRICA

THE COMPANIES ACT, 1973
(Section 84)

REGISTRATION NUMBER OF COMPANY :

89 01765 07

CERTIFICATE OF INCORPORATION OF A COMPANY
HAVING A SHARE CAPITAL

THIS IS TO CERTIFY, THAT

HOLFONTEIN INVESTMENTS (PROPRIETARY) LIMITED

was this day incorporated under the Companies Act, 1973, (Act 61 of 1973), and that the Company is a company having a share capital.

SIGNED and SEALED at PRETORIA

this 28th day of MARCH 1989
(ONE THOUSAND NINE HUNDRED AND EIGHTY NINE)

Seal of Companies
Registration Office

REGISTRAR OF COMPANIES

This Certificate is not valid unless sealed by the seal of the Companies Registration Office.

REPUBLIC OF SOUTH AFRICA
MAATREKAPPEWET, 1973
COMPANIES ACT, 1973
SERTIFIKAAT OM MET BESIGHEID TE BEGIN
CERTIFICATE TO COMMENCE BUSINESS

CERTIFIED TO BE A TRUE COPY

JUDAH PHILIP LEVISON is a
graduate of the University of California, Berkeley, and
has been in the U.S. Coast Guard for 12 years. He is
currently assigned to the U.S. Coast Guard Cutter WMEC-905
at San Francisco. He is a member of the U.S. Coast Guard
Association and the U.S. Coast Guard Auxiliary.

and request to copy the
which was interrupted on the

28th

MARCH

Seventeen Hundreded
One Thousand Nine Hundred and

EIGHTY NINE

and then let him be very close and watch it? and the War, so not having the money to go to the bank to get the money. But everything with the requirements of Section 11 of the Act and it is not clear from the way it is written in the document.

Written on ground is PRETORIA eg. inside the
 signed and signed is PRETORIA also.

the two
 day of

1948 is
 One Thousand Nine Hundred and EIGHTY NINE

60291 1 1984.12 101E 南京大學地理系 30代 T(10)附 985頁

SECRETARY OF THE ARMY
WASHINGTON, D. C.

NAME OF
PERSON
ADDRESS
CITY
STATE
ZIP

POLYSTEIN INVESTMENTS
 (P) LTD
 250 BROAD ST
 BIRMINGHAM
 1960

NOT COMPLETED BY COMPANY

REGISTRATION

PENDING

20

MAY 1964