



**GOLDEN VALLEY
MINES LIMITED**

ABN 98 008 905 388

31 July 2003

The Manager
Australian Stock Exchange Limited
10th Floor
20 Bond Street
SYDNEY NSW 2000

Dear Sir,

SOUTH AFRICAN RESERVE BANK APPROVAL FOR NIMAG ACQUISITION

GVM has received South African Reserve Bank Exchange Control Department approval for the proposed acquisition of the NiMag Limited group of companies ("NiMag"). This approval will allow the financing of the transaction to proceed towards completion.

Although the regulatory process and financing had taken far longer than had been anticipated the Board remains confident of the NiMag acquisition providing an exciting opportunity for GVM.

Navigator Resources Limited ("Navigator")

GVM shareholders will receive a Navigator Prospectus within the next few days, which includes a priority entitlement to subscribe for shares. The prospectus was lodged with the ASIC on 16 July 2003, and conditional upon minimum subscriptions being met, GMV will distribute its holding in Navigator *in specie*, to shareholders registered on the Record Date of 8 May 2003.

Navigator is seeking to raise \$2.5 million through the issue of 12.5 million shares at 20 cents each together with 1 free attaching option, exercisable at 20 cents on or before 30 June 2007. Minimum subscriptions have been set at \$2.2 million.

Yours sincerely,

Blair Sergeant
Company Secretary