GOLDEN VALLEY
MINES LIMITED

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REPORT FOR SEPTEMBER 2003 QUARTER

CORPORATE

NiMag Limited ("Nimag")

During the quarter, the Company received approval from the South African Reserve Bank Exchange Control Department for the proposed acquisition of NiMag Limited. This was a crucial step in allowing the Company to obtain debt finance to complete the acquisition, which took place subsequent to balance date.

GMA Resources plc ("GMA")

The value of GVM's shareholding as at the 30 September 2003 was approximately £1,320,165 or A$3.25 million. The Company's holding is escrowed until 14 May 2004.

SA Mineral Resources Corporation ("Samroc")

On the 3 September 2003, Samroc withdrew its cautionary announcement as a result of negotiations previously referred to being terminated.

No further material announcements were made to the market by Samroc during the quarter.

Navigator Resources Limited ("Navigator")

Navigator Resources Limited lodged a Prospectus with the ASIC on 16 July 2003, was admitted to the Official List of ASX on 17 September 2003 and commenced trading on 19 September 2003 having completed a capital raising of $3,000,000. As part of the process, GVM completed an *in specie* distribution of 14,313,434 shares held in Navigator to shareholders of GVM registered on 8 May 2003.

GVM accepted the issue of 3,350,000 shares in Navigator in lieu of debt owing to GVM. These shares were disposed of at 20 cents per share raising gross proceeds of $670,000. The balance of the debt owing by Navigator of $165,000 was written off.

EXPLORATION

No exploration activities were undertaken on the Company's properties during the quarter as all resources were devoted to the admission of Navigator to ASX.

Yours sincerely

Blair E Sergeant
Company Secretary
30 September 2003

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Golden Valley Mines Limited

ABN

98 008 905 388

Quarter ended ("current quarter")

30 September 2003

Consolidated statement of cash flows

			Current quarter $A'000	Year to date (12 months) $A'000
	Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors		-	-
1.2	Payments for	(a) exploration and evaluation	-	-
		(b) development	-	-
		(c) production	-	-
		(d) administration	(363)	(363)
1.3	Dividends received			
1.4	Interest and other items of a similar nature received		6	6
1.5	Interest and other costs of finance paid			
1.6	Income taxes paid			
1.7	Other (provide details if material)		87	87
	Net Operating Cash Flows		(270)	(270)
	Cash flows related to investing activities			
1.8	Payment for purchases of:	(a)prospects	-	-
		(b)equity investments	-	-
		(c) other fixed assets	(3)	(3)
1.9	Proceeds from sale of:	(a)prospects	-	-
		(b)equity investments	663	663
		(c)other fixed assets	-	-
1.10	Loans to other entities		(6)	(6)
1.11	Loans repaid by other entities		-	-
1.12	Other (provide details if material)		(14)	(14)
	Net investing cash flows		640	640
1.13	Total operating and investing cash flows (carried forward)		370	370

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	370	370
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	139	139
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(150)	(150)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	(11)	(11)
	Net increase (decrease) in cash held	359	359
1.20	Cash at beginning of quarter/year to date	479	479
1.21	Exchange rate adjustments to item 1.20		
1.22	**Cash at end of quarter**	838	838

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	54
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Navigator Resources Limited lodged a Prospectus with the ASIC on 16 July 2003, was admitted to the Official List of ASX on 17 September 2003 and commenced trading on 19 September 2003 having completed a capital raising of $3,000,000. As part of the process, GVM completed an *in specie* distribution of 14,313,434 shares held in Navigator to shareholders of GVM registered on 8 May 2003.

GVM agreed to accept the issue of 3,350,000 shares in Navigator in lieu of debt owing to GVM by Navigator, equal to $670,000. These shares were disposed of during the quarter at 20 cents per share. The balance of the debt owing by Navigator amounting to approximately $165,000 was written off.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	-
4.2	Development	Nil
	Total	-

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	838	9
5.2	Deposits at call	-	500
5.3	Bank overdraft	-	(30)
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	838	479

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed				
		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.2	Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	218,316,509	218,316,509		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	**+Convertible debt securities** *(description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*	42,825,000	41,460,000	*Exercise price* **See Note 6**	*Expiry date* **See Note 6**
7.8	Issued during quarter	Nil	Nil		
7.9	Exercised during quarter	Nil	Nil		
7.10	Expired during quarter	Nil	Nil		
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

+ See chapter 19 for defined terms.

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: .... Date: ....
(Company secretary)

Print name: Blair E Sergeant

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

6 Issued and Quoted Securities as at 30 September 2003:

Number Issued	Number Quoted	Exercise Price	Expiry Date	Lapsed Since End of quarter
41,460,000	41,460,000	$0.10	30 September 2005	-
615,000	-	$0.20	24 December 2003	-
750,000	-	$0.20	30 September 2006	-

+ See chapter 19 for defined terms.