



GME RESOURCES LIMITED

ABN 62 009 260 315

REPORT FOR THE QUARTER ENDING

31 December 2008

HIGHLIGHTS

- Completed resource drilling at Mertondale Nickel Projects with very good results including:
 - 14m @ 1.34% Ni MDRC 102
 - 5m @ 1.21 %Ni MDRC097
 - 6m @ 1.04 %Ni MDRC098
 - 17m @ 0.92% Ni MDRC 099
- Continued with a capital re-estimate for the project
- Deferred all other expenditure pending an improvement in market conditions
- Company AGM was held on 28 November 2008

FEASIBILITY STUDY

The Company has now suspended work on the NiWest Nickel project pending an improvement in the Nickel market and the ability of financial markets to support major resource projects. The Company will continue to review options for development, including joint venturing of the project.

Work reported herein represents required statutory expenditure and was completed early in the quarter

Nonetheless, the Company continued to make progress over the quarter on the work associated with the Feasibility Study on the development of the NiWest Nickel Laterite Heap Leach project.

Earlier this year the Company undertook a strategic review of the NiWest Project. Based on this work, the Company believes that the optimal size of the NiWest Project is between 3.5 and 4.5 million tonnes per annum (Mtpa) of ore processed, producing between 30,000 and 35,000 tonnes of nickel metal per annum. The Company envisages a world class Nickel and Cobalt processing plant in the Northern Goldfields.

MERTONDALE DRILLING

During the reporting period the Company completed resource drilling at its Mertondale project. The Company expects this project area to provide a significant resource that will support the 3 main project areas. (See figure 2)

A total of 265 metres of Reverse Circulation drilling was undertaken. Significant results tabulated below are based on a 0.8 % Ni lower cut with a maximum of 2m of internal waste. See also figure 1. The deposits is hosted within the laterite developed from weathered Achaean serpentinised- peridotite rocks. Locally the deposit is within the Murrin domain in the Norseman-Wiluna greenstone belt.

Hole_ID	GDA94_51 E	GDA94_51 N	From (m)	To (m)	Nickel % Intercept	Co %
MDRC097	360641	6825984	16	21	5m @ 1.21 %	0.08
MDRC098	360617	6825975	13	19	6m @ 1.04 %	0.08
MDRC099	360582	6825960	6	23	17m @ 0.92 %	0.10
MDRC102	360677	6825890	20	34	14m @ 1.34 %	0.13
MDRC103	360695	6825794	1	2	1m @ 0.89 %	0.04
MDRC103	360695	6825794	10	13	3m @ 0.90 %	0.07

Table 1 Significant drill results for the Mertondale project area

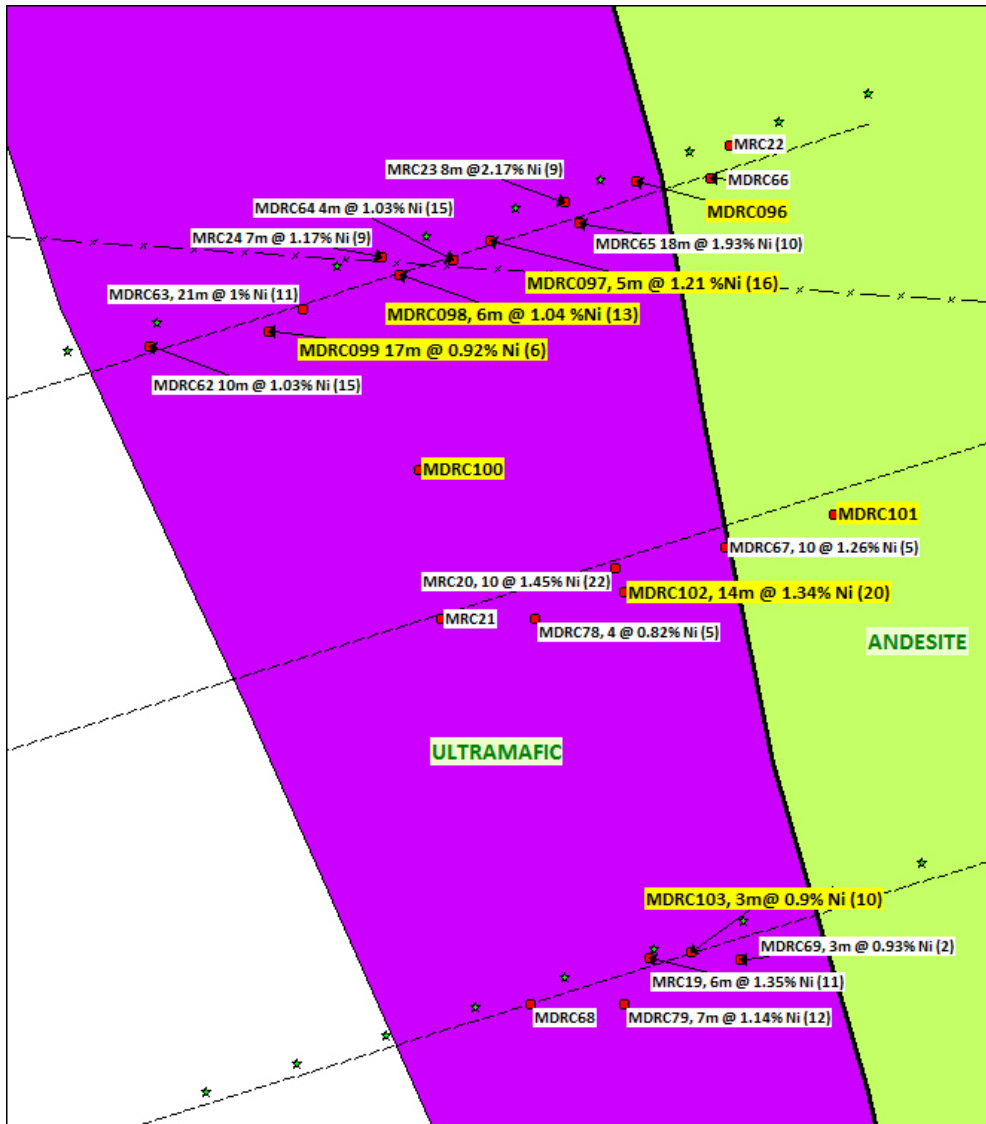


Figure 1 Mertondale drill locations and results (100 metre section line spacing)

Resource Development & Mine Planning

No changes or updates were made to the resource during the period. The tables below summarise the JORC Compliant resource position.

A global resource is reported at a 0.7%Ni cut-off based on a combination of the Krigged resource models constructed by Ravensgate for the Hepi, Mt Kilkenny and Eucalyptus areas as well as GME’s polygonal resource estimates for satellite deposit areas (Table 2).The updated Krigged models are also reported at 0.8% Ni (Table 3) cut-off which the Company expects to have a high conversion rate to reserves based on preliminary work to date.

0.7% COG	CATEGORY	Tonnes (Millions)	%Ni	%Co	Ni Metal	Co Metal	%
TOTAL	Measured	27.18	0.98	0.06	266,198	17,023	24%
	Indicated	29.07	0.94	0.06	274,699	17,785	26%
	Inferred	56.01	0.93	0.07	521,395	40,719	50%
	Combined	112.26	0.95	0.07	1,062,292	75,527	100%

Table 2 Global Resource at 0.7% Nickel cut-off incorporating both Polygonal and Krigged resource models

KRIGGED RESOURCES for HEPI, MT KILKENNY AND EUCALYPTUS

0.8% Cut Off	Tonnes (Millions)	Ni %	Co %	%
Measured	19.70	1.049	0.068	36%
Indicated	17.39	1.001	0.066	32%
Inferred	17.73	0.959	0.062	32%
Total	54.82	1.004	0.066	100%

Table 3 Krigged resources for the main project areas at Hepi, Mt Kilkenny and Eucalyptus.

At a production rate of 3.5Mtpa the measured and indicated resource in table 3 supports a mine life of 10 years with another 5 years based on the inferred ore. The Company will continue to develop its 0.8% cut-off resource base to support a long life operation.

Hepi Demonstration trial

The Hepi Demonstration Trial (HDT) is fully permitted and the required equipment, purchased earlier this year has been refurbished and commissioned. Water resources required for the HDT have been identified and are being secured. However the Company has decided to put this plan on hold during the current uncertainty in world financial markets.

NiWest Nickel Project

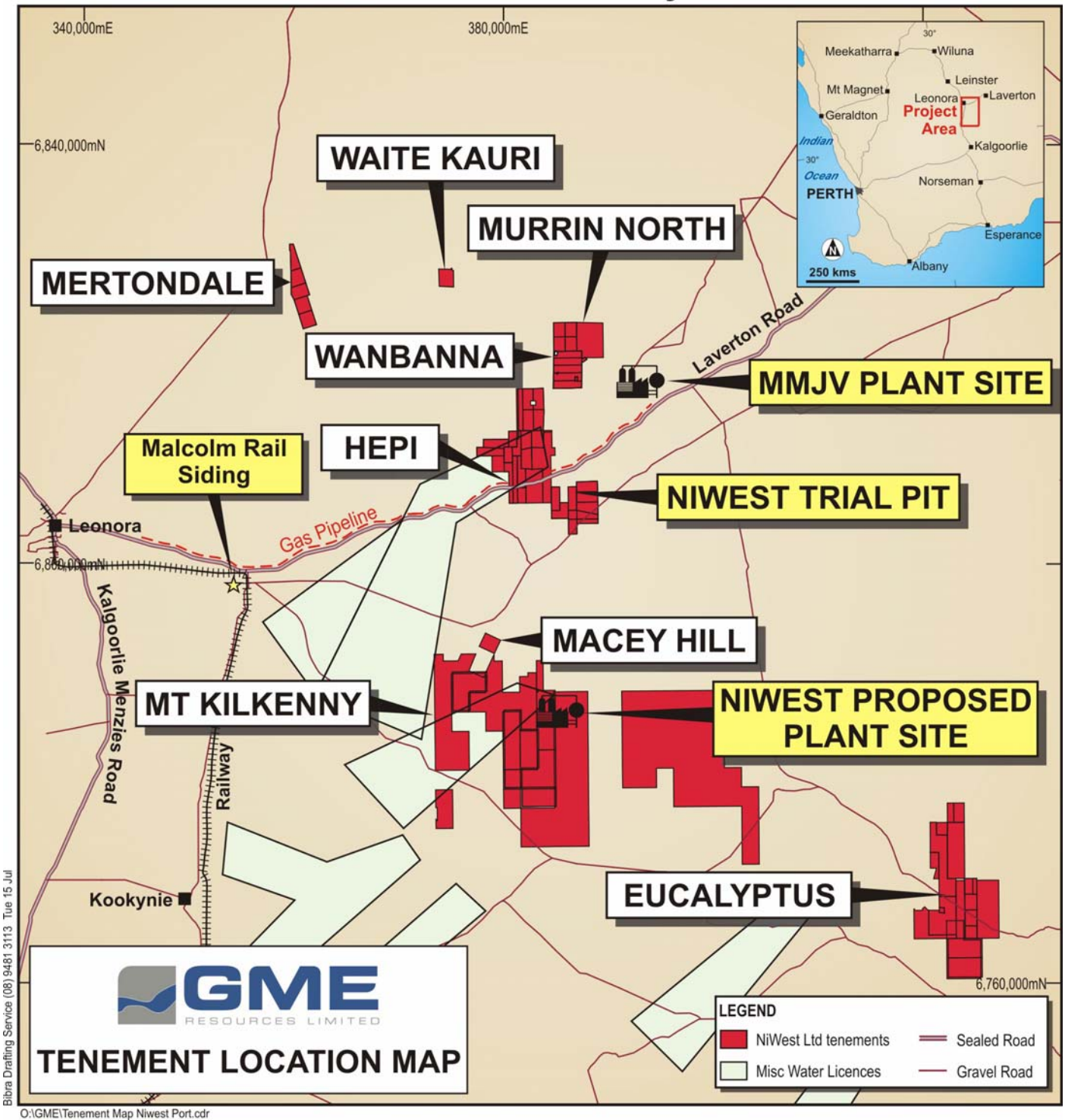


Figure 2 Nickel Project Tenement Map

Gold Tenements

Golden Cliffs NL, a 100% owned subsidiary company holds a highly prospective portfolio of gold tenements located in the North Eastern goldfields of WA.

During the reporting period the Company conducted reviews at a number of gold projects. No drilling activity was completed in the quarter on gold tenements.

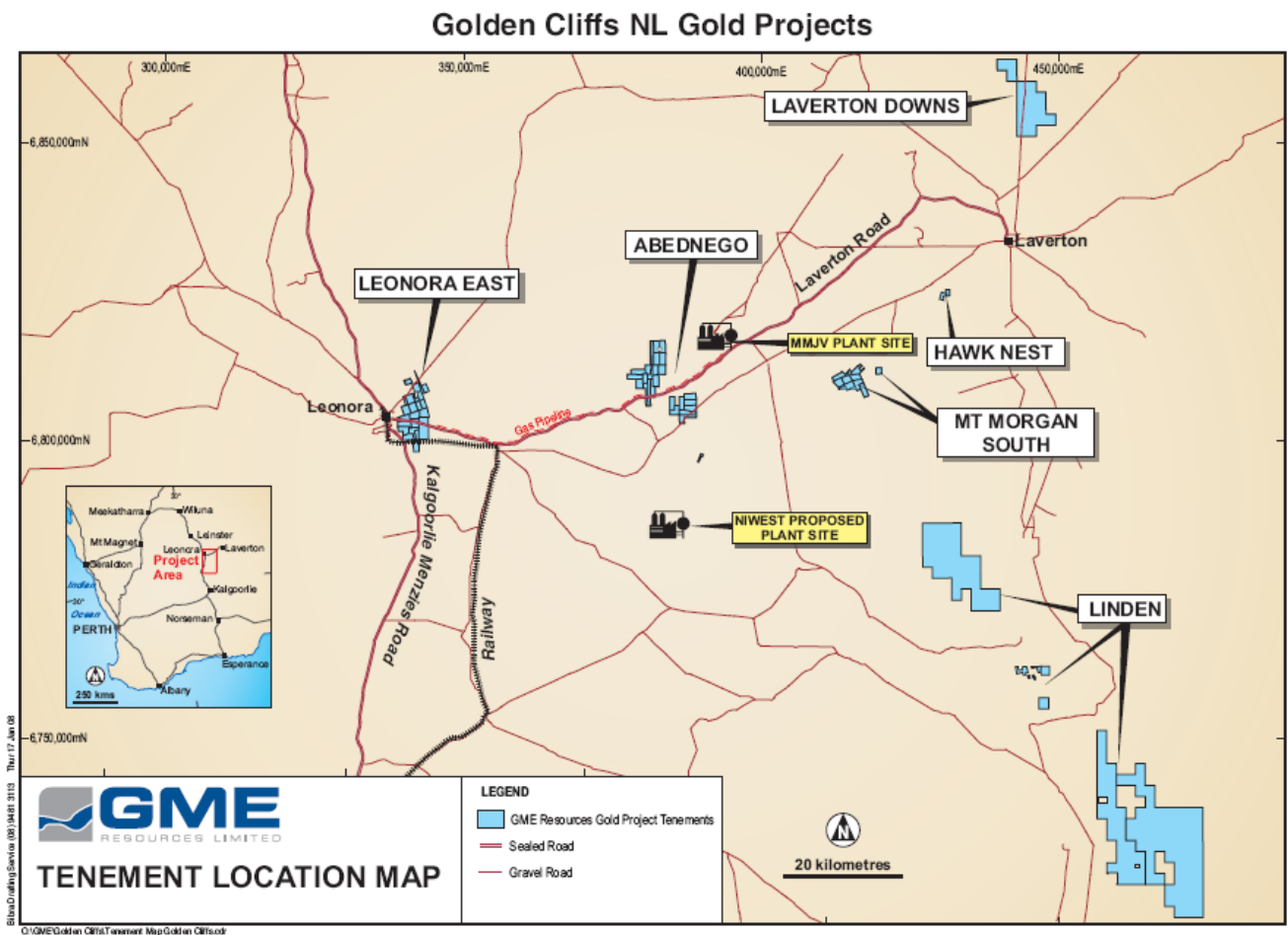


Figure 3 Gold tenements



DAVID VARCOE

MANAGING DIRECTOR

Date: 30 January 2009

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Stephen Hyland, Mr Bill Hill and Mr Steve Goertz who are members of The Australasian Institute of Mining and Metallurgy. Mr Hyland is a Principal Consultant with Ravensgate Minerals Industry Consultants who consults to the Company. Mr Hill is self employed and consults to the Company as and when required, Mr Hill has sufficient experience, which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves. Mr Hill, Mr Goertz and Mr Hyland consent to the inclusion in the report of the matters based on information provided in the form and context in which it appears.

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

GME RESOURCES LIMITED

ABN

62 009 260 315

Quarter ended ("current quarter")

31 DECEMBER 2008

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(730)	(3,230)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	43	117
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	100	266
Net Operating Cash Flows	(828)	(3,505)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects (b)equity investments (c)other fixed assets	- - -	- - (5)
1.9 Proceeds from sale of: (a)prospects (b)equity investments (c)other fixed Assets	- - 5	- - 5
1.10 Loans to other entities	-	-
1.11 Loans repaid from other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	5	-
1.13 Total operating and investing cash flows (carried forward)	(823)	(3,505)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(823)	(3,505)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(823)	(3,505)
1.20	Cash at beginning of quarter/year to date	2,468	5,150
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,645	1,645

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	65
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

NIL

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

NIL

+ 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	N/A	N/A
3.2 Credit standby arrangements	N/A	N/A

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	450
4.2 Development	-
Total	450

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	599	2,423
5.2 Deposits at call	1,046	45
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,645	2,468

Appendix 5B
Mining exploration entity quarterly report

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	Withdrawn	100%	0%
	E39/1331 E39/1374 P39/4909-11 E39/1378 E39/1181 M37/1059 M38/0683 M39/0457 M39/0481 M39/0554 M39/0702-3 M39/0757 M39/0777 M39/0797-8 M39/0823-4 M39/0877 M39/0955-7 P39/3417-8			
6.2	Interests in mining tenements acquired or increased	Acquired	0%	100%
	E39/990 E38/2066 E39/1266 L37/0179 P37/7279-82 P37/7425 P37/7428-32 P38/3397 P39/4571-2 P39/4637-9 P39/4716-23 P39/4729-38 P39/4743-51 P39/4823-26			

+ 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 <i>(description)</i>	NIL			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	253,373,931	253,373,931		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	200,000	200,000		
7.5 +Convertible debt securities <i>(description)</i>	NIL	NIL		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	<i>Unlisted options</i> 250,000 100,000 2,000,000	- - -	<i>Exercise Price</i> \$0.75 per option \$0.80 per option \$0.70 per option	<i>Expiry Date</i> 30 June 2009 30 June 2009 30 September 2010
7.8 Issued during quarter	NIL			
7.9 Exercised during quarter	NIL			
7.10 Expired during quarter	NIL			
7.11 Debentures <i>(totals only)</i>	NIL			
7.12 Unsecured notes <i>(totals only)</i>	NIL			

+ 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.



30 January 2009

Sign here: Date:
(Company secretary)

Print name: BRADLEY WYNNE
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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.

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+ See chapter 19 for defined terms.