



GME RESOURCES LIMITED

ABN 62 009 260 315

REPORT FOR THE QUARTER ENDING 30 June 2009

HIGHLIGHTS

- Improvement in metal prices over the quarter
- Company to revisit the economics of the Heap leach project
- Successful rights issue

NICKEL LATERITE HEAP LEACH FEASIBILITY STUDY

The Company has suspended work on the NiWest Nickel feasibility study 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.

In 2008 the Company undertook a strategic review of the NiWest Project. Based on this work, the Company believes that the optimal size of the NiWest Heap leach 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 constructing a world class Nickel and Cobalt processing plant in the Northern Goldfields.

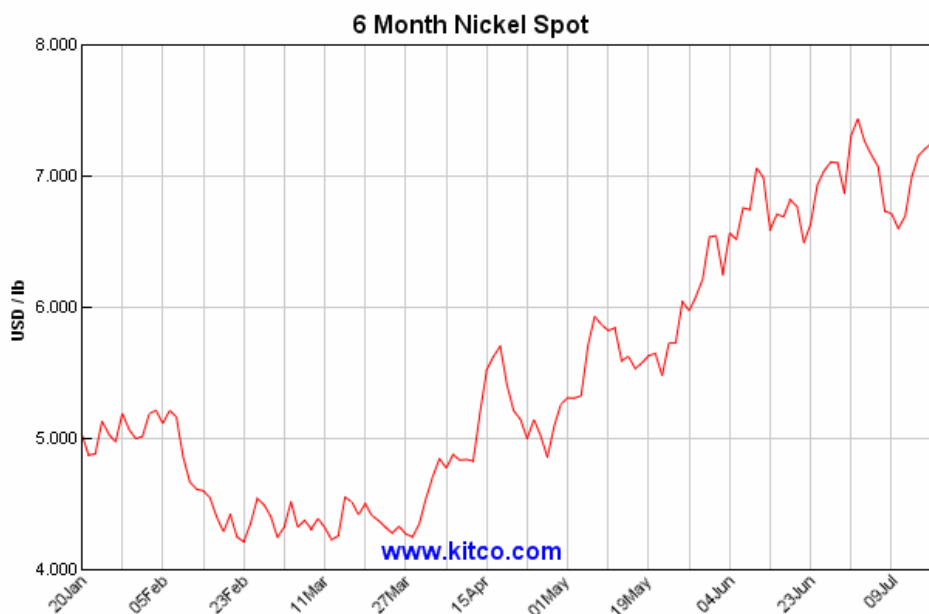


Figure 1. Nickel prices in USD / lb

The Company is encouraged by the improvement in the Nickel price this quarter to levels that again make the proposed NiWest Heap Leach project an attractive proposition. We believe that very few nickel producers would be profitable at sub \$US5 per pound prices and this price would not support any new investment in the industry. (Refer Figure 1) On the basis of the improving metal price, lower sulphur input costs and a reduction in capital costs **the Company intends to revisit the economics of the Heap Leach project. The Company will actively seek partners to jointly develop this world class project.**

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 1). This demonstrates the size and quality of the resource which contains over 1 million tonnes of nickel metal.

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

The updated Krigged models are also reported at 0.8% Ni (Table 2) cut-off, for which, based on recent studies the Company expects to have a high conversion rate to reserves based on preliminary work to date.

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 2 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 2 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.

Table 3 shows the potential to high grade to major Nickel projects by applying a 1% cut-off grade.

KRIGGED RESOURCES for HEPI, MT KILKENNY AND EUCALYPTUS

1.0% Cut Off	Tonnes (Millions)	Ni %	Co %	%
Measured	16.61	1.183	0.079	69%
Indicated	3.72	1.127	0.073	15%
Inferred	3.69	1.139	0.075	15%
Total	24.02	1.167	0.078	100%

Tenement Management

The Company maintains a substantial tenement position in excess of 550 square kilometres in the North East Goldfields covering areas prospective for Nickel, gold and other minerals. During the period the company acquired 4 new tenements, made one application and surrendered 3 tenements as it continues to actively manage its portfolio.

NiWest Nickel Project

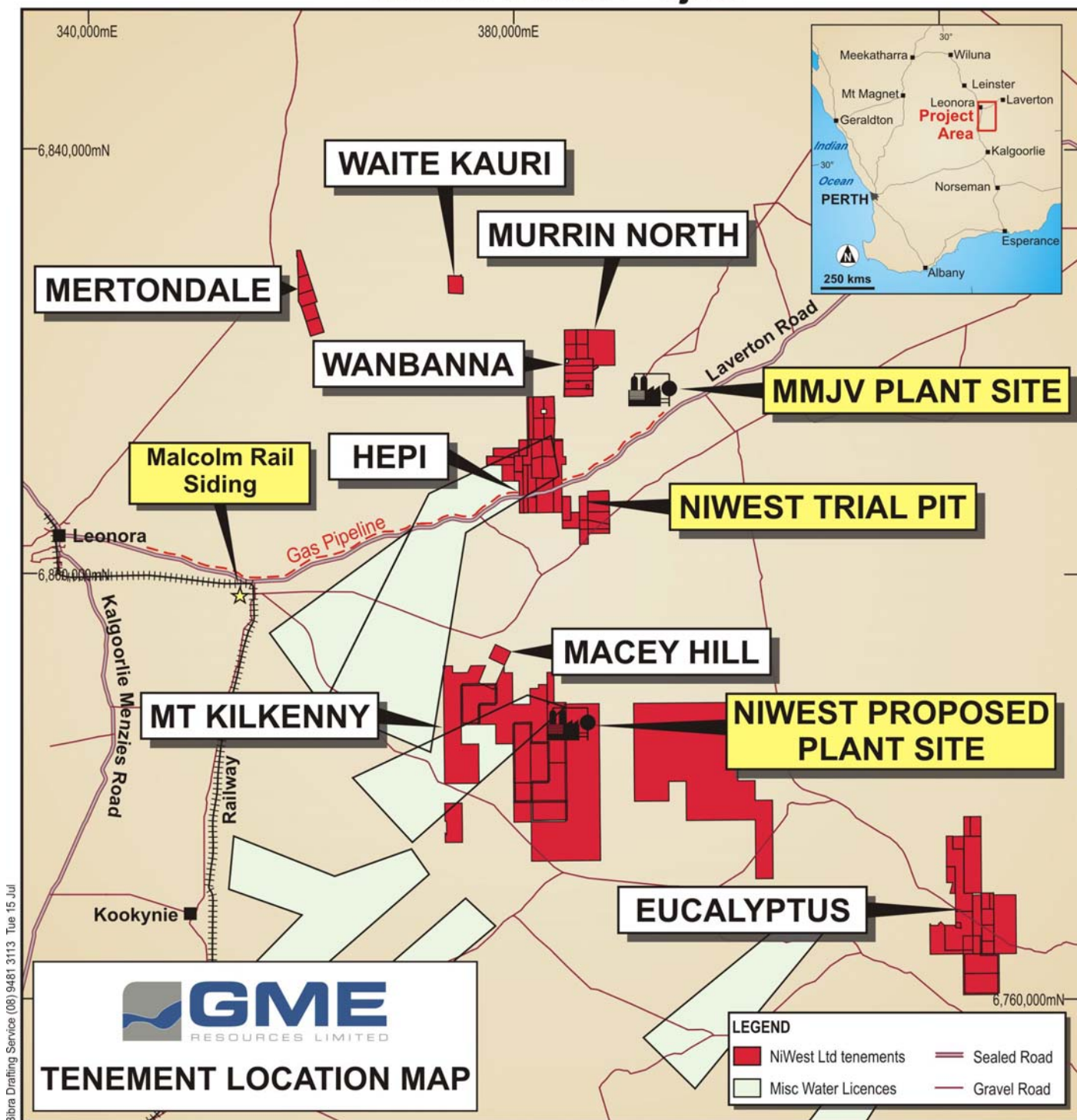


Figure 2 Nickel Project Tenement Map

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 a review of the gold assets and particularly the exploration potential. An information package is being prepared on the gold assets.

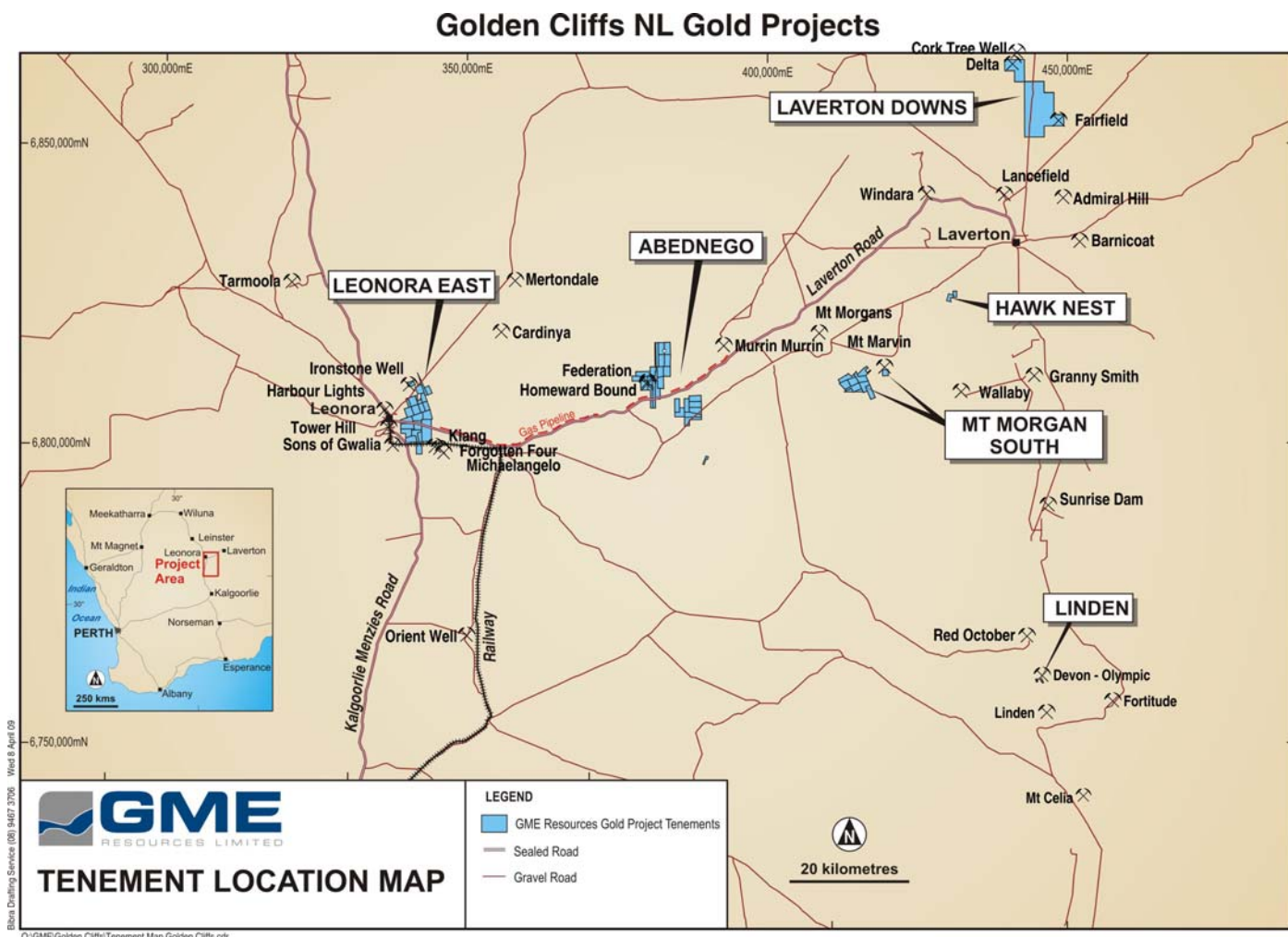


Figure 3 Gold tenements

Non-Renounceable Entitlement issue

The Company announced a Non renounceable entitlement issue during the quarter. A total of 21,114,494 new shares were offered to shareholders on the basis of 1 new share for every 12 held. The issue would raise \$1.06m if fully subscribed, with funds to be used to meet expenditure commitments and to allow the Company to continue to pursue investment opportunities.

Subsequent to the end of the quarter the issue closed with a very pleasing level of acceptances at 71%. In addition Directors have received firm applications for the majority of the shortfall, they intend to finalise placement of the shortfall shares within the next week.



DAVID VARCOE
MANAGING DIRECTOR

Date: 29 July 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")

30 JUNE 2009

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 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	(474)	(4,406)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	12	148
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	266
Net Operating Cash Flows	(559)	(4,794)
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
1.10 Loans to other entities	-	-
1.11 Loans repaid from other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(559)	(4,794)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(559)	(4,794)
	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	(559)	(4,794)
1.20	Cash at beginning of quarter/year to date	915	5,150
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	356	356

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	36
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

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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	121
4.2 Development	-
Total	121

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	140	254
5.2 Deposits at call	216	661
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	356	915

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	E39/1337	Withdrawn	100%	0%
	E39/1404		100%	0%
	M31/0472		100%	0%
	P39/4931		100%	0%
6.2 Interests in mining tenements acquired or increased	E39/1387	Acquired	0%	100%
	L39/0194		0%	100%
	P39/4971		0%	100%
	P39/4972		0%	100%

+ 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	NIL	NIL		
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> 2,000,000		<i>Exercise Price</i> \$0.70 per option	<i>Expiry Date</i> 30 September 2010
7.8 Issued during quarter	NIL			
7.9 Exercised during quarter	NIL			
7.10 Expired during quarter	250,000 100,000	- -	\$0.75 per option \$0.80 per option	30 June 2009 30 June 2009
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.



29 July 2009

Sign here: Date:
(Company secretary)

Print name: MARK PITTS
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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.