

QUARTERLY REPORT

30 September 2010



Highlights

- Infill drilling commenced on nickel high grade targets over 4 project areas.
- Reviewing most prospective gold resource target zones with drilling planned to commence in the next quarter
- Decision to undertake a study on a small scale heap leach project.

Operations

Nickel Heap Leach Feasibility Study

The Company's "NiWest" nickel laterite project is located in the North Eastern goldfields of Western Australia. The Company is assessing the potential to develop a large scale nickel-cobalt hydrometallurgical processing plant.

The preferred development option is to construct a plant using heap leach technology. This is based on positive studies completed by GME during last 3 years and the successful trials of this process at other nickel laterite projects globally including European Nickel and the Murrin Murrin JV (which is located adjacent to NiWest). The heap leach process has materially lower capital costs and is operationally simpler than the high pressure acid leach process commonly used by other nickel laterite producers.

During late 2008 GME's feasibility studies were put on hold to conserve cash during the time of lower metal prices. Following the recent recovery of metal prices and general capital market conditions, GME has decided to recommence its feasibility work.

The Company has initiated a study into a small scale heap leach project based on high grade ore sourced initially from the Hepi area. The Company is permitted to start mining at Hepi. This work will be undertaken in the next quarter. The small scale project is complimentary to the larger project in that it uses the same technology.

About GME Resources

GME Resources is a Perth-based nickel exploration company focused on the development of its 100%-owned NiWest Project, located in the Leonora district of Western Australia.

GME has the potential to become a top 10-global nickel producer with its NiWest Project resource totalling over 100 million tonnes of ore containing over 1 million tonnes of nickel – making it one of the most exciting undeveloped laterite nickel projects in Australia.

The bankable feasibility study (BFS) is underway for a project capable of supplying 30,000 to 35,000 tonnes of Nickel metal and 1,400 tonnes of cobalt per year.

Quick Facts

ASX Code	GME
ASX Share Price (A\$)	0.12
Market Cap (A\$m)	36

Contact

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GME Resources

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Resource Development & Mine Planning

Drilling commenced during the quarter on four high grade target zones in the nickel project. The drilling will allow for model updates in these zones leading to ready to mine areas enabling the Company to start scheduling early mining for the project. These areas also allow for potential early ore sales to one of 3 plants in the area. Results are expected in coming weeks.

The total NiWest resource calculated at a 0.7%Ni cut-off contains over 1 million tonnes of nickel metal. The resources are reported at 0.8% and 1.0% Ni cut-off (Table 1 and 2) and these results are tabled below. A high percentage of the resource is in the JORC Measured and Indicated categories.

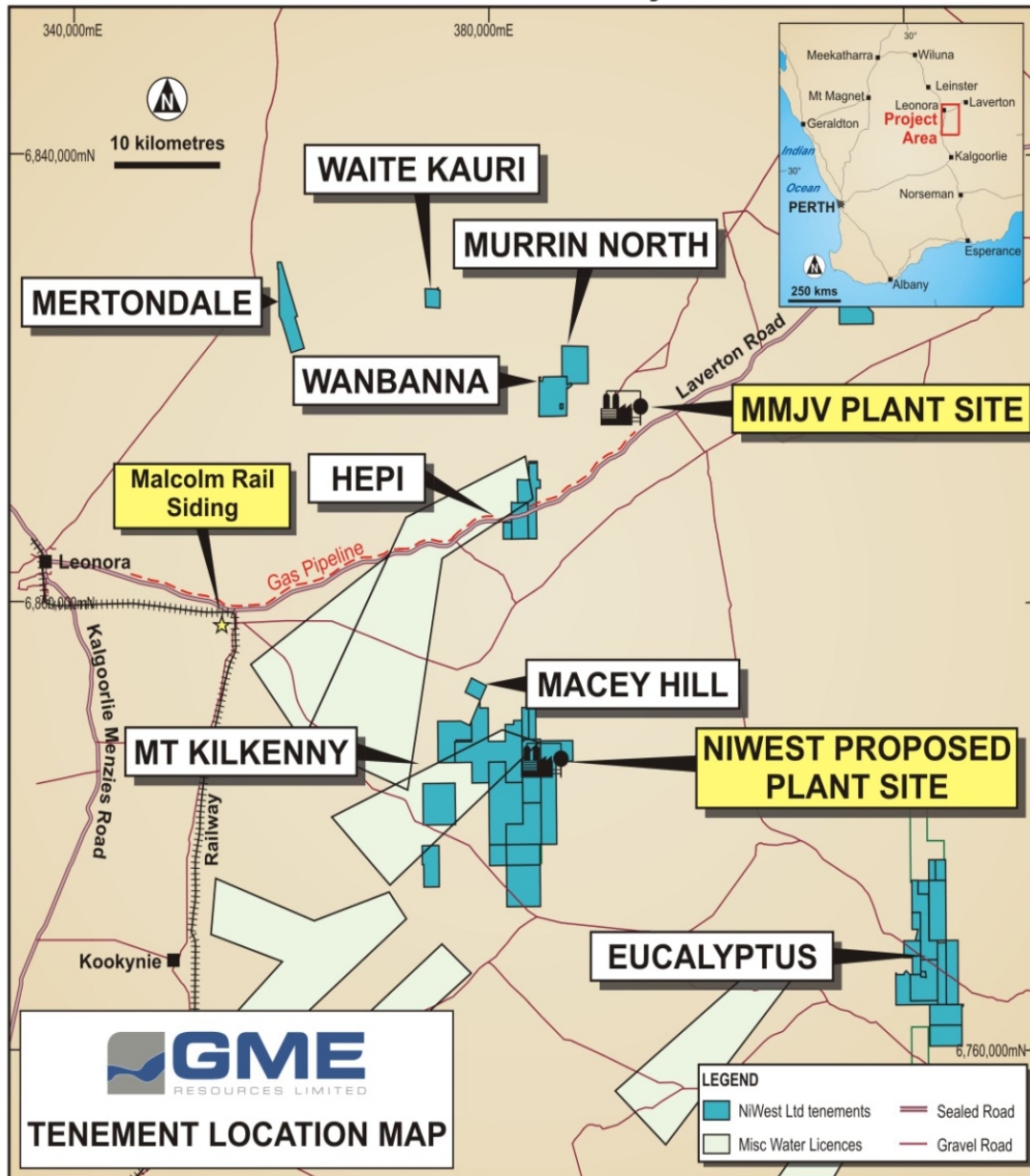
Table 1 | Resources at 0.8% Ni cut-off grade

Category	Mt	%Ni	%Co	Ni Metal	Co Metal
Measured	26.05	1.03	0.07	269,468	17,498
Indicated	28.21	1.00	0.07	282,289	18,548
Inferred	21.74	0.96	0.06	209,395	17,781
Combined	76.00	1.00	0.07	761,152	49,827

Table 2 | Resources at 1.0% Ni cut-off grade

Category	Mt	%Ni	%Co	Ni Metal	Co Metal
Measured	18.96	1.18	0.08	224,081	15,044
Indicated	8.47	1.14	0.08	96,261	6,452
Inferred	5.16	1.14	0.07	58,709	3,810
Combined	32.60	1.16	0.08	379,050	25,307

NiWest Nickel Project



Gold Tenements

Golden Cliffs NL, a 100% owned subsidiary of GME holds a portfolio of gold tenements located in the North Eastern goldfields of WA. The package represents a sizable tenement position in a very prospective region hosting such projects as the Sons of Gwalia Mine, Granny Smith, Mount Morgans, Lancefield, Navigators' Leonora Project, A1 Minerals' Delta Project and Sunrise Dam.

A number of shallow targets have been identified on granted leases ready for follow up drilling. The company has identified the most prospective of these targets to be around the old Devon mine near Linden (south of Laverton, WA). This old mine is historically reported to have produced ore at 19.5 g/t. The Company will undertake confirmatory and infill drilling with a view to generating a resource.

Markets

The continued strength of the nickel and cobalt prices, particularly in this quarter, are extremely encouraging and will materially improve the economics of the NiWest project.



Outlook

Strength in the metals prices coupled with resumption in global demand continue to underwrite the development of quality nickel projects. The NiWest project has many advantages including a large resource base, location close to major infrastructure and is supported by sound engineering and test work. Nickel laterite projects are steadily increasing their share of the global nickel market with a number of companies globally undertaking studies using the heap leach route.



DAVID VARCOE

MANAGING DIRECTOR

Date: 28 October 2010

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 and Mr Hyland have 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, 01/06/10.

Name of entity

GME RESOURCES LIMITED

ABN

62 009 260 315

Quarter ended ("current quarter")

30 SEPTEMBER 2010

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(177)	(177)
(b) development	-	-
(c) production	-	-
(d) administration	(96)	(96)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	20	20
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(253)	(253)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(253)	(253)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(253)	(253)
	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 – costs of issue	(7)	(7)
	Net financing cash flows	(7)	(7)
	Net increase (decrease) in cash held	(260)	(260)
1.20	Cash at beginning of quarter/year to date	1,958	1,958
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,698	1,698

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	85
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

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	-	-

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	550
4.2	Development	-
4.3	Production	-
4.4	Administration	175
Total		725

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	22	335
5.2 Deposits at call	1,676	1,623
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,698	1,958

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	L39/0174	100%	100 % 0 %
6.2	Interests in mining tenements acquired or increased	E38/2394 E39/1552 E39/5090	100% 100% 100%	0 % 0 % 0 % 100 % 100 % 100 %

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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	302,352,750	302,352,750		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
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>	Unlisted Options 5,000,000 5,000,000		<i>Exercise price</i> \$0.13 per option \$0.18 per option	<i>Expiry date</i> 28 February 2012 28 February 2012
7.8 Issued during quarter	-			
7.9 Exercised during quarter	-			
7.10 Expired during quarter	2,000,000		\$0.70 per option	30 September 2010
7.11 Debentures <i>(totals only)</i>	-			
7.12 Unsecured notes <i>(totals only)</i>	-			

+ 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.



28 October 2010

Sign here: Date:
(Director/Company secretary)

Print name:MARK PITTS.....

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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