

NiWest Nickel - Cobalt Project

Process Flowsheet Update



HIGHLIGHTS

- **Successful test results from Solution Neutralisation and Iron / Aluminium (Fe/Al) Removal Stage**
- **Test program to move into continuous piloting for Solution Neutralisation and Fe / Al removal in late April**
- **Agenda and timeline to complete flowsheet design and commence Pre-Feasibility Study**

NiWest Nickel - Cobalt Project

GME Resources Limited (“GME” or “the Company”) is pleased to provide an update on the metallurgical test program for the development of an integrated processing flowsheet based on a low capital heap leaching operation (refer Figure 1) for the NiWest Nickel - Cobalt Project (100%) in the North Eastern Goldfields of Western Australia.

The Project hosts one of the largest undeveloped Nickel and Cobalt resources in Australia estimated to contain 81 million tonnes averaging 1.03% Nickel and 0.06% Cobalt. The resource was recently updated to JORC 2012 standards (ASX announcement NiWest Resource Update 21 Feb 2017, refer Appendix 1). Over 75% of the resource falls within the Indicated and Measured categories.

The Project is at an advanced stage and will be development-ready on completion of the metallurgical test program. The test work, which includes continuous piloting stages, aims to establish the optimal flow sheet design for a heap leaching operation, coupled with a Direct Solvent Extraction (DSX) and refining facility capable of producing pure Nickel sulphate and Cobalt carbonate for the high growth lithium-ion battery market.

Metallurgical Test Program Update

The recommencement of the metallurgical testwork follows earlier phases of the program completed in 2014-15, that included metallurgical core drilling programs, ore type characterisation, 220 bottle roll tests, agglomeration, and geo-hydrology design for heap leaching. A simulated bulk heap column leach test was also conducted, that produced six cubic metres of Pregnant Liquor Solution (PLS) for downstream processing testwork.

The testwork over the past two months has been centred on the solution neutralisation and iron/aluminium (Fe/Al) removal step. The testwork, which is being conducted under ambient temperature, is considered the most critical stage of the flowsheet design.

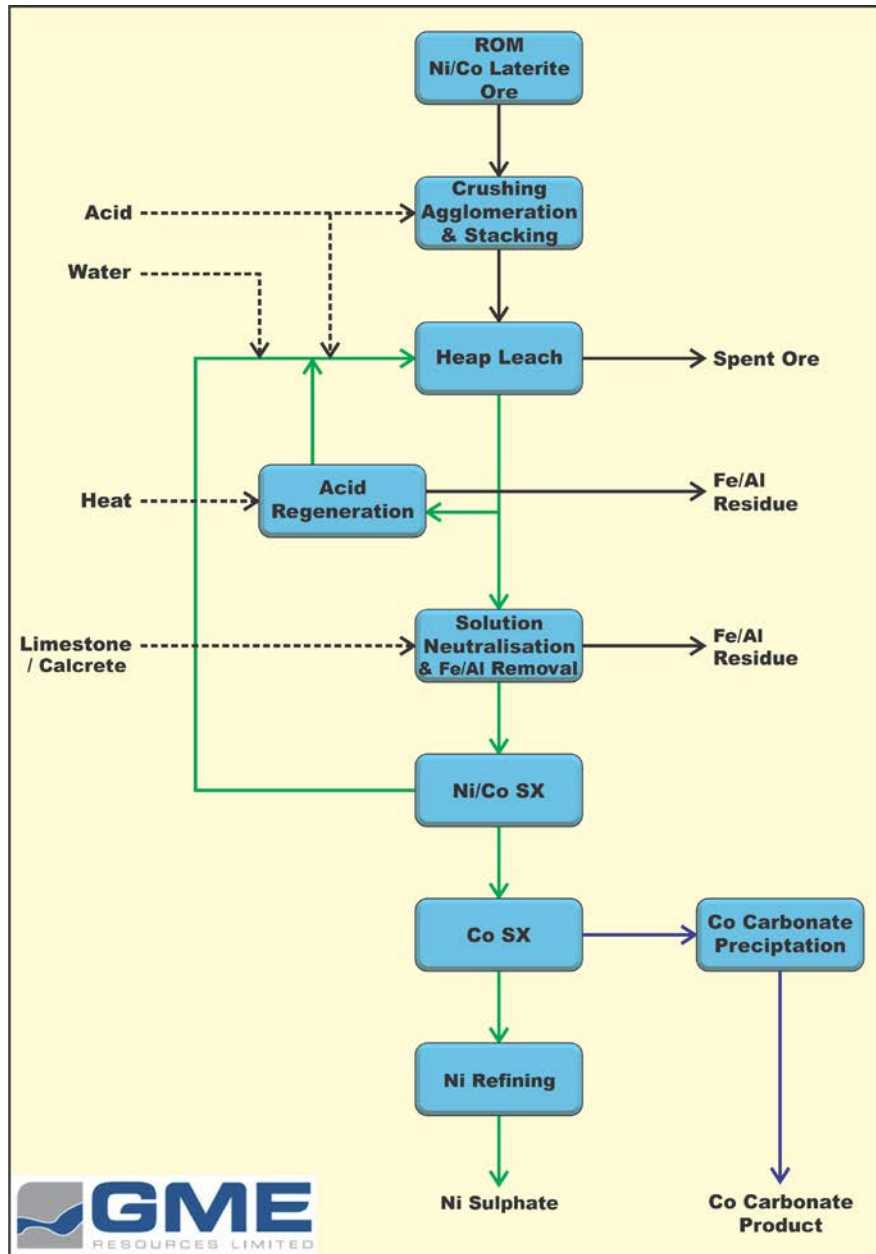


Figure 1: NiWest Nickel Cobalt Project Flowsheet (simplified)

The program has focused on running numerous solution batch tests at a range of pH levels aimed at achieving optimum chemical and physical properties. This aims for precipitation of Fe/Al with suitable settling and solid/liquid separation characteristics, while minimising co-precipitation of the target metals (Nickel and Cobalt).

Results from the test procedures have successfully established the optimum conditions for the process, where all three aspects of the test (Fe/Al removal, settling and solid/liquid separation, and minimal Nickel loss) are achieved. Importantly, results from the test procedures demonstrate that the solution neutralisation and Fe/Al removal step can be undertaken at ambient temperature and utilise a single stage approach.

The impact of a single stage neutralisation step simplifies this processing stage significantly and is expected to result in a considerable reduction in both capital and operating costs for the project.



Figure 2: Results of solution neutralisation and Fe/Al removal batch test, showing excellent solid/liquid separation characteristics (Fe/Al brown precipitate in the lower portion, light green Ni/Co rich neutralised solution above)

The program will now move into the continuous piloting stage which is scheduled to commence in late April and run throughout May. Solutions generated from this step are expected to be suitable for processing via the DSX stage. DSX batch testing of solutions will commence in May, with continuous piloting of the DSX process scheduled for July. Testing for production of the final Nickel & Cobalt products in the form of a sulphate and carbonate respectfully will commence after the DSX continuous pilot program.

The chart at figure 3 provides an indicative timeline to complete the test program. Contingent on continued successful outcomes, planning is also under way for commencement of a Pre-Feasibility Study to be completed in the second half of 2017.

The Company looks forward to providing further updates on activities at the NiWest project as work programs progress.

JAMIE SULLIVAN
MANAGING DIRECTOR
12 April 2017

Testwork	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17
Hepi Ore												
Bulk Sample Preparation	█	█										
Agglomeration Trials		█	█									
Stacking Tests			█	█								
Hepi Hydrodynamic Column Tests			█	█								
Bottle Roll		█	█									
2m Columns - optimal/acid		█	█									
Mt Kikenny PLS - Neutralisation Fe/Al Removal												
Batch/Continuous Neut Tests & Optimisation		█	█									
Batch/Continuous Releach Tests & Optimisation			█	█								
Continuous Pilot Plant Tests (including analysis/reporting)				█	█	█						
Rheology /Settling/Thickening/Filtration Tests					█	█						
Mt Kikenny PLS - Direct Solvent Extraction												
Batch Neutralisation Fe/Al Removal Compatibility Testing		█	█	█	█							
Batch Tests/Extract/Strip/Purification/Co Extract					█	█	█	█				
Continuous Mini DSX Pilot Plant Rig Tests							█	█				
Final Pure Ni Product												
Batch Tests/Optimisation (including analysis)							█	█				
Continuous Tests (including analysis)								█	█			
Co Carbonate												
Batch Tests/Optimisation (including analysis)							█	█				
Continuous Tests (including analysis)								█	█			
Potential PreFeasibility Engineering and Study							█	█	█	█	█	█

Figure 3: Indicative Metallurgical Testwork Timeline

Competent Person Statement

NiWest Nickel Cobalt Project

The information in this report that relates to Mineral Resources is based on information compiled by Mr David Reid of Ravensgate Resource Consultants. Mr Reid is a fellow of The Australasian Institute of Mining and Metallurgy. Mr Reid is a Principal Consultant with Ravensgate Minerals Industry Consultants who consults to the Company. Mr Reid 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 2012 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Mr Reid consents to the inclusion in the report of the matters based on information provided in the form and context in which it appears.

The information in this announcement that relates to Lateritic Nickel and Cobalt Processing / Engineering and related operating and capital cost estimates is based on information reviewed by Mr David Readett (B.E. Met Eng., FAusIMM, CP (Met)). Mr Readett is an independent consulting engineer working through a Company known as MWorx Pty Ltd. Mr Readett is a Chartered Professional Metallurgical Engineer and has 25 years of relevant experience in this area of work. Mr Readett consents to the inclusion in this announcement of the matters based on information provided by him and in the form and context in which it appears.

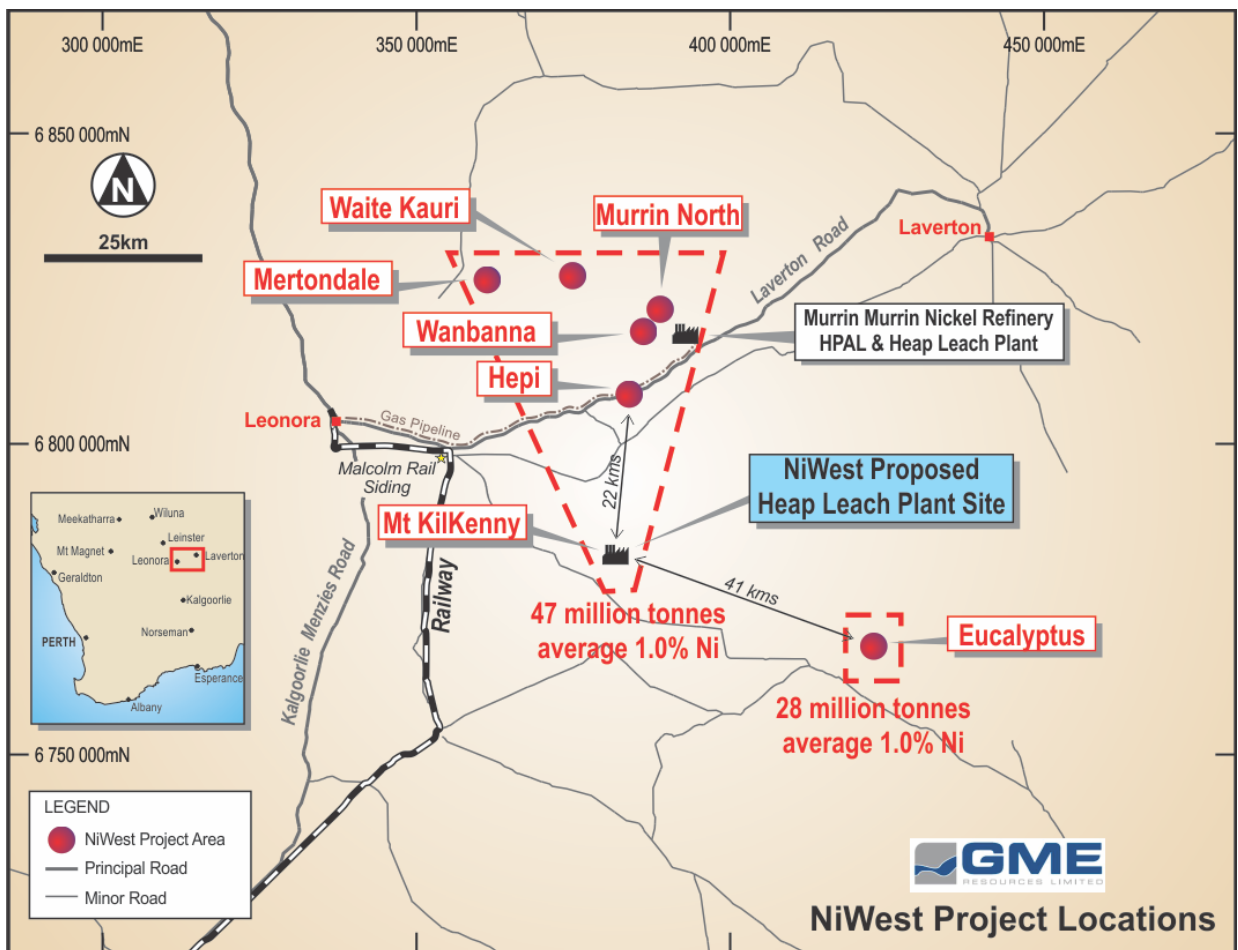


Figure 4; NiWest Nickel - Cobalt Project location plan

Appendix 1 NiWest Nickel Cobalt Project Resource Estimate (JORC 2012)

Table 1: Mineral Resource Estimate at 0.8% Ni Cut-off Grade

JORC Category	Million Tonnes	Ni Grade %	Co Grade %	Ni Metal (kt)	Co Metal (kt)
Measured	34	1.07	0.07	362	23
Indicated	28	1.02	0.06	282	17
Inferred	19	0.97	0.06	186	12
Total	81	1.03	0.06	830	52

Table 2: Mineral Resource Estimate by project area at 0.8% Ni Cut-off Grade

JORC Category	Million Tonnes	Ni Grade %	Co Grade %	Ni Metal (kt)	Co Metal (kt)
Eucalyptus	34.9	1.00	0.06	349	21.7
Measured	7.5	1.02	0.07	76.2	4.8
Indicated	11.2	1.02	0.06	114.3	6.7
Inferred	16.2	0.98	0.06	158.1	10.0
Mt Kilkenny	24.2	1.08	0.07	261	16.5
Measured	19.8	1.09	0.07	216.3	13.9
Indicated	2.9	1.02	0.06	29.2	1.7
Inferred	1.5	0.98	0.05	15.2	0.8
Wanbanna*	10.8	1.03	0.07	111.2	7.2
Measured	0.0	0.0	0.0	0.0	0.0
Indicated	10.1	1.03	0.07	104.2	6.7
Inferred	0.7	0.99	0.07	7.0	0.5
Hepi	3.4	1.09	0.06	37	2.0
Measured	1.8	1.19	0.06	21.3	1.1
Indicated	1.1	1.01	0.06	11.6	0.7
Inferred	0.5	0.90	0.04	4.4	0.2
Murrin North	3.7	0.97	0.06	35.7	2.3
Measured	3.4	0.98	0.06	33.2	2.1
Indicated	0.2	0.88	0.05	1.3	0.1
Inferred	0.1	0.86	0.08	1.2	0.1
Waite Kauri	1.8	0.98	0.05	18	1.0
Measured	1.5	1.01	0.06	14.8	0.91
Indicated	0.3	0.91	0.03	3.2	0.09
Inferred	0.02	0.09	0.02	0.02	0.00
Mertondale	1.9	0.98	0.07	18.4	1.3
Measured	-	-	-	-	-
Indicated	1.9	0.98	0.07	18.4	1.3
Inferred	-	-	-	-	-
TOTAL	81	1.03	0.06	830	52
Measured	34	1.07	0.07	362	23
Indicated	28	1.02	0.06	282	17
Inferred	19	0.98	0.06	186	12

Table 3: Mineral Resource Estimate by project area at 1.0 % Ni Cut-off Grade

JORC Category	Million Tonnes	Ni Grade %	Co Grade %	Ni Metal (kt)	Co Metal (kt)
Eucalyptus	13.3	1.19	0.07	158.7	9.7
Measured	3.3	1.19	0.07	38.9	2.42
Indicated	5.0	1.18	0.07	58.9	3.60
Inferred	5.0	1.21	0.08	60.9	3.78
Mt Kilkenny	12.7	1.24	0.08	158.3	10.1
Measured	10.9	1.25	0.08	137.4	9.00
Indicated	1.2	1.19	0.06	14.8	0.8
Inferred	0.5	1.15	0.06	6.1	0.3
Wanbanna*	5.1	1.19	0.08	60.6	4.0
Measured	-	-	-	-	-
Indicated	4.8	1.19	0.08	56.9	3.7
Inferred	0.3	1.16	0.08	3.7	0.3
Hepi	1.5	1.33	0.07	20.6	1.1
Measured	1.0	1.40	0.07	14.6	0.8
Indicated	0.4	1.22	0.07	5.3	0.3
Inferred	0.1	1.08	0.04	0.7	0.03
Murrin North	1.25	1.14	0.07	14.0	0.9
Measured	1.24	1.14	0.07	14.2	0.89
Indicated	0.01	1.04	0.04	0.1	0.01
Inferred	-	-	-	-	-
Waite Kauri	0.58	1.23	0.08	7.0	0.46
Measured	0.52	1.25	0.09	6.49	0.45
Indicated	0.06	1.08	0.02	0.65	0.01
Inferred	-	-	-	-	-
Mertondale	0.7	1.14	0.07	7.9	0.46
Measured	-	-	-	-	-
Indicated	0.7	1.14	0.07	7.9	0.46
Inferred	-	-	-	-	-
Total	35.1	1.21	0.08	427	27
Measured	17.0	1.24	0.08	212	14
Indicated	12.1	1.18	0.07	144	9
Inferred	6.0	1.20	0.07	71	4