

NiWest Nickel-Cobalt Project

Process Flowsheet Update

5 September 2017



HIGHLIGHTS

- **NiWest Nickel-Cobalt Project remains on track to produce nickel and cobalt sulphates for the lithium ion battery market**
- **Successful completion of first stage of pilot program to produce battery-grade products from neutralised solution using Direct Solvent Extraction**
- **Next stage will focus on the production of nickel sulphate, LME grade metal cathode, nickel carbonate and nickel chloride from nickel electrolyte solution**
- **Pre-Feasibility Study commenced and expected to be completed by March 2018**

GME Resources Limited (“**GME**” or “**the Company**”) (GME:ASX) advises that it has completed the third successful step in its ongoing metallurgical testwork to support the production of nickel and cobalt sulphate products from the 100%-owned NiWest Nickel-Cobalt Project in Western Australia (“**NiWest**” or “**NiWest Project**”). Nickel and cobalt sulphates are direct inputs into lithium ion batteries and GME is targeting production of these premium products from the NiWest Project to supply the growing lithium ion battery market.

The development of the proposed NiWest Project process flowsheet has continued in July and August following successful bulk column leach testing and continuous piloting of the pregnant liquor solution (PLS) neutralisation and Fe/Al removal. The latest stage has included batch and continuous piloting of direct solvent extraction (DSX) flowsheets. These were designed to generate pure nickel and cobalt product streams. The first testwork stage was focused only on generating a pure nickel sulphate electrolyte solution. Cobalt product production will be completed following the nickel testwork.

The outcome shows successful production of high purity nickel electrolyte (refer to Appendix 1) and represents another milestone de-risking of a critical stage in the proposed NiWest process flow sheet.

GME remains on track to produce battery-grade nickel and cobalt sulphates in the current quarter from pilot-scale testwork using its NiWest DSX flowsheet. The successful production of these products will facilitate discussions with potential consumers and offtake partners.

The results of the metallurgical testwork form the basis of a Pre-Feasibility Study (PFS) for the NiWest Project which commenced in August. The PFS is expected to be completed by March 2018.

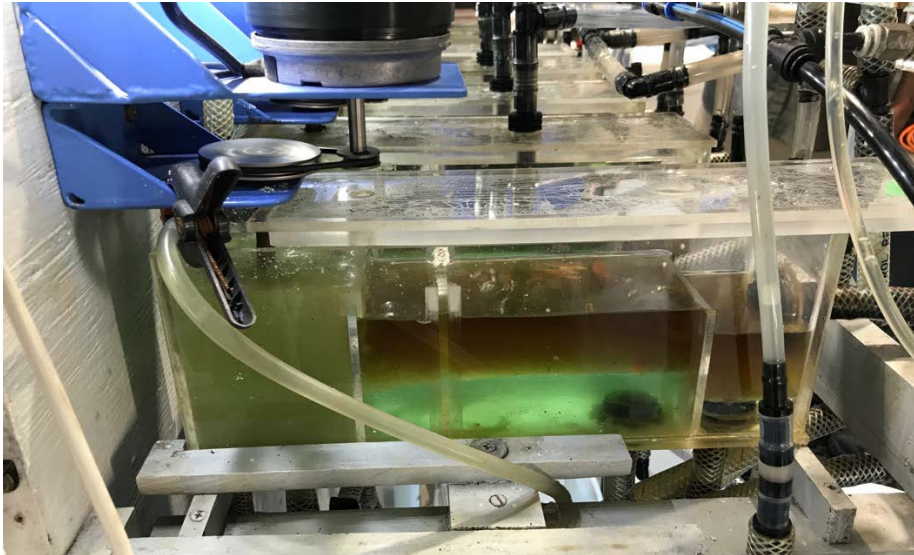


Figure 1: Pilot Plant – extraction mixer/settler cross section (in operation), Clear interface between organic layer (dark) and PLS liquid and showing no signs of interfacial crud and no dispersion band.

Next Stage

The testwork program continues with production of final products from the high purity nickel electrolyte from the main Mt Kilkenny orebody at NiWest. This will include, in addition to nickel sulphate, LME grade metal cathode, nickel carbonate and nickel chloride.

After production of nickel products the solutions will be treated to recover cobalt products.

A neutralisation and DSX testwork program is then planned to commence on leach solutions obtained from the Hepi and Eucalyptus orebodies.



Figure 2: Pure nickel sulphate (electrolyte) solution (~5L) generated from 24 hours operation. Left beaker shows naturally occurring nickel sulphate crystals that crystallise out of the saturated solution.

Pre-Feasibility Study

GME has commenced a PFS for the NiWest Project which is due for completion by March 2018. The PFS will be based on the tested flow sheet design of a combined heap leach and NiWest DSX processing operation with refining capability to produce battery grade nickel and cobalt sulphates.

The NiWest Project hosts one of the largest undeveloped nickel and cobalt resources in Australia, with a Mineral Resource Estimate (JORC 2012) of 81 million tonnes averaging 1.03% nickel and 0.06% cobalt (refer Appendix 3 and ASX release 21 February 2017). More than 75% of the Mineral Resource Estimate is contained in the Measured and Indicated categories.

The PFS will focus on the Mt Kilkenny and Hepi project areas, with the proposed processing plant located at Mt Kilkenny. Mt Kilkenny represents the largest advanced nickel-cobalt resource within the NiWest Project. The Hepi project area, located approximately 20 kilometres to the north of Mt Kilkenny, possesses the highest grade resource inventory. Combined Mineral Resource Estimates at these two project areas total 27.6 million tonnes averaging 1.08% Ni and 0.07% Co, with over 78% of that tonnage in the Measured category.

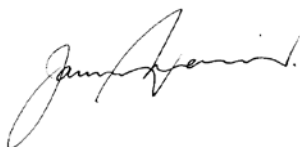
Both the Mt Kilkenny and Hepi project areas are considered to be at an advanced stage in terms of potential for accelerated development. This is due to the large-scale Measured Resource Estimates, extensive metallurgical test work and high level environmental surveys completed. This includes a 2.0GL water extraction permit at Mt Kilkenny which is sufficient to support at least

a 1 million tonne per annum operation. The Hepi resource has been drilled to grade control level and also has a valid open pit mine approval.

The Mt Kilkenny and Hepi project areas represent little more than a third of the total NiWest resource base. This serves to highlight the embedded project and operational scalability that exists with such a large and long life nickel-cobalt resource inventory.

The PFS will investigate capital and operating costs for a heap leach operation and processing plant based on a production rate determined initially by the quantity of locally available acid. The study will also examine a scale up option that will include a stand-alone acid plant and the option to produce scandium oxide.

GME has sufficient cash reserves to complete its proposed work program through to the end of the PFS.



JAMIE SULLIVAN
MANAGING DIRECTOR
5 SEPTEMBER 2017

Competent Person Statement

NiWest Nickel Cobalt Project

"Where the Company refers to the NiWest Project Mineral Resource Statement (refer Appendix 3) in this announcement referencing the release made to ASX on 21 February 2017, it confirms that it is not aware of any new information or data that materially affects the information included in that announcement and all material assumptions and technical parameters underpinning the resource estimate with that announcement continue to apply and have not materially changed."

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.

APPENDIX 1: NiWest Nickel-Cobalt Pilot Testwork and Process Flow Sheet

Continuous Pilot Test Program

Preliminary screening of available solvent extraction and ion exchange technologies indicated that for the specific NiWest Heap Leach generated PLS, an inhouse designed Versatic 10 based solvent extraction flowsheet was preferred. On this basis, the NiWest flowsheet was to be tested in a continuous pilot plant.

The design and determination of process conditions were established through batch testing and mass balance modelling. A solvent extraction pilot plant was made available at Nagrom Laboratories Brisbane. During early July, the pilot plant was configured to suit NiWest DSX requirements.

The PLS feed for the continuous solvent extraction pilot plant was the Mt Kilkenny neutralised solution, generated from the neutralisation and Fe/Al removal continuous pilot plant operated in June.

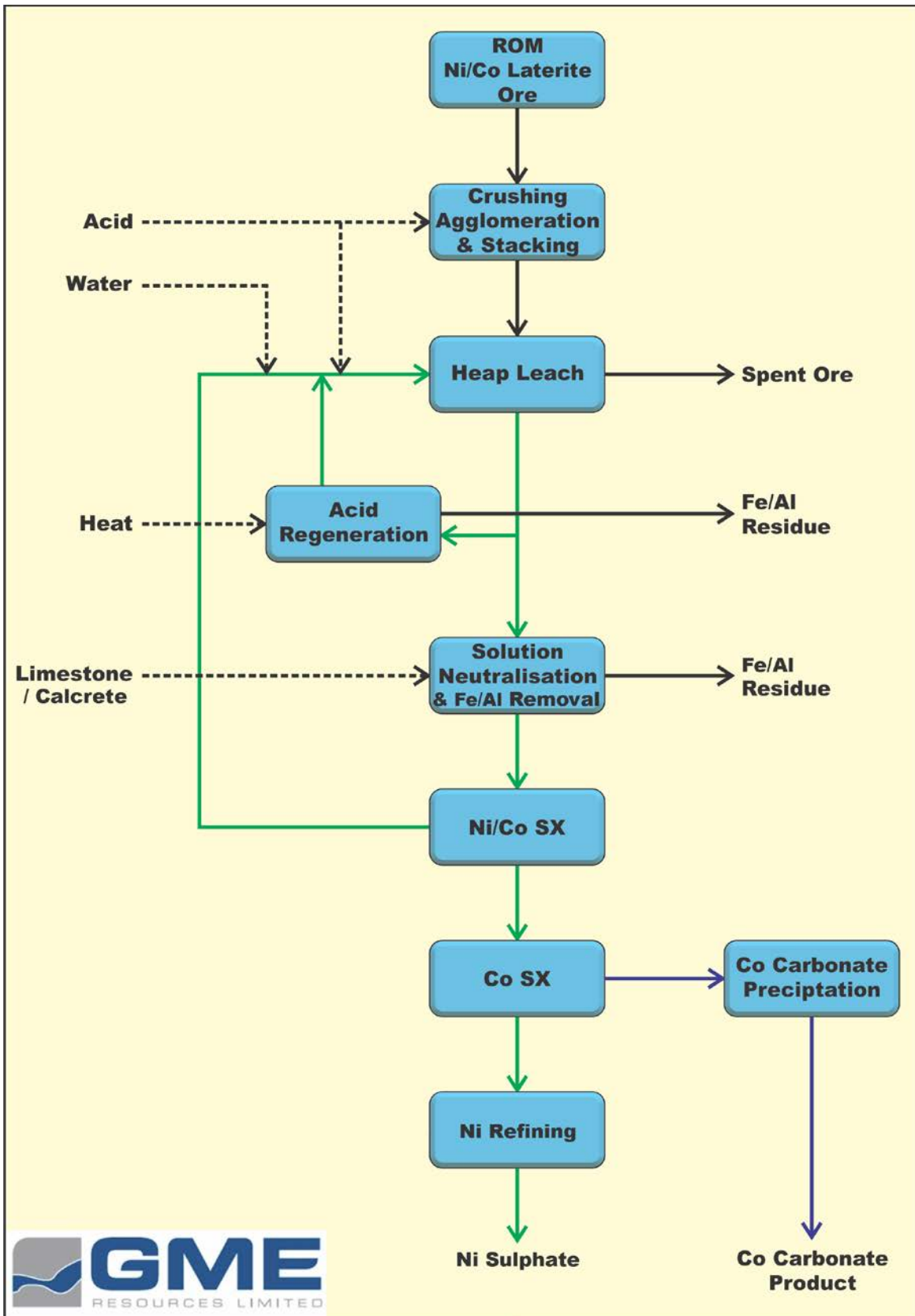
The solvent extraction pilot plant was configured and commissioned during early July and then run for five days from Monday 24 July until the morning of Saturday 29 July.

Preliminary mass balance, flow and assay data has been generated from the pilot plant run, and these are summarised in the table below. These show that target Ni and Co extraction of +95% was achieved. Target Advance Electrolyte upgrade factors of 14 to 16 times the PLS grade was also achieved, with Ni purity of greater than 98% for NiWest process, as expected.

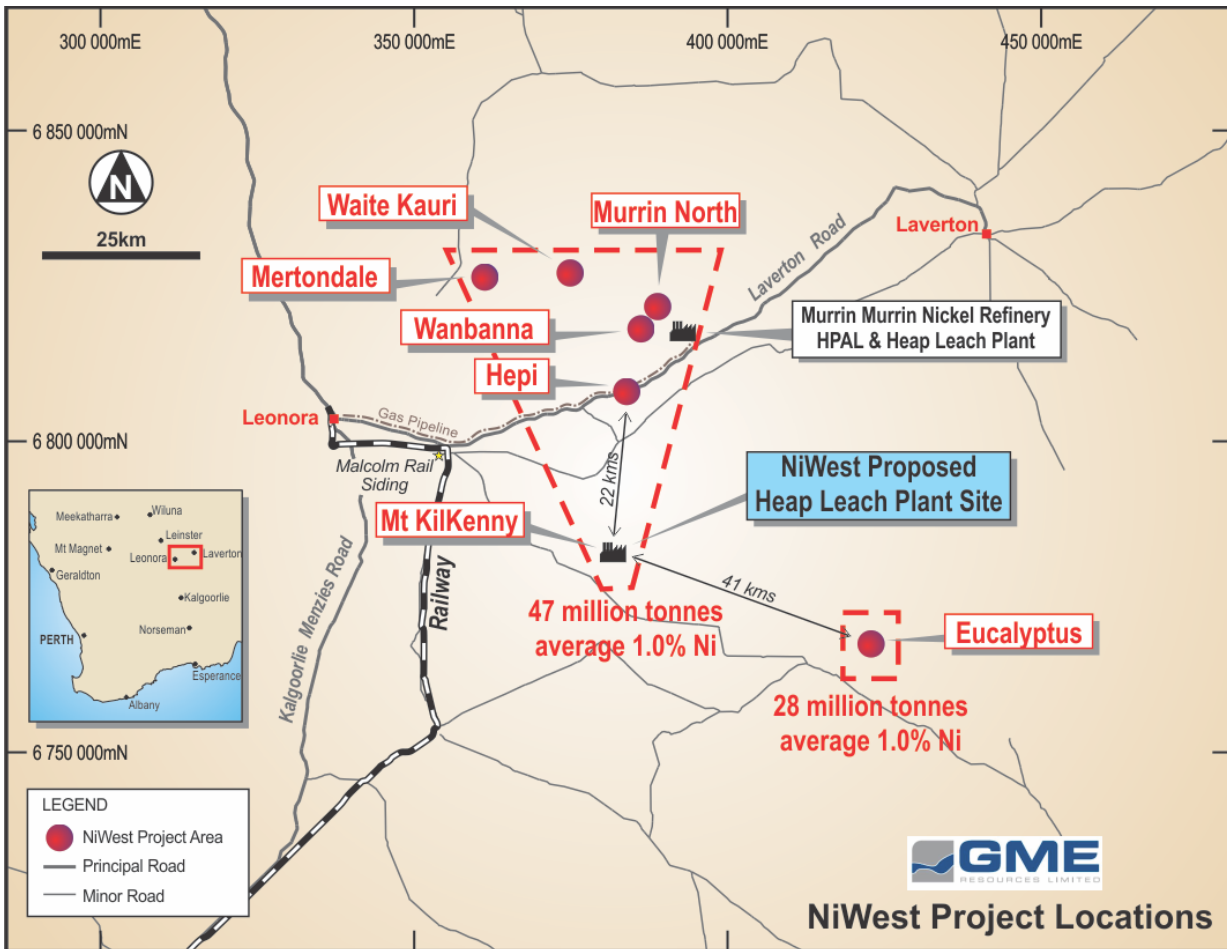
		Ni	Co
PLS	g/L	2500	64
Raffinate	g/L	29	3
Recovery	%	99	95
Electrolyte			
Upgrade Delta Ni	g/L	35	
Ni Upgrade		14	
Ni Purity	%	98.5	

The physical performance of the circuit was also monitored at regular intervals to establish whether the PLS and its impurities impacted the circuit performance. No phase separation issues were noted in the extraction or subsequent stages. No interfacial crud was generated or transferred through the circuit. This is an excellent outcome, as during preliminary batch screening of neutralised PLS, significant issues were encountered with phase separation and crud generation. The neutralised PLS used for the pilot had been generated to minimise potential impacts based on the batch testing.

High purity Ni Electrolyte (Ni sulphate) generated from the process will be treated to generate Ni sulphate, LME Grade Ni cathode and high purity Ni carbonate. During testing a sample of the loaded organic was retained, and this will be stripped with hydrochloric acid to generate a high purity Ni chloride product.



APPENDIX 2: Project location plan



APPENDIX 3: NiWest Nickel-Cobalt Project Mineral Resource Estimate (JORC 2012)

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

JORC Category	Tonnes (Mt)	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	Tonnes (Mt)	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	Tonnes (Mt)	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