

# QUARTERLY REPORT

September 2017



## NiWest Nickel Cobalt Project

- Final steps for continuous pilot plant successfully completed during the quarter
- Production of high purity nickel products including nickel sulphate, nickel carbonate and nickel cathode
- Metallurgical test program has largely de-risked the NiWest flow sheet design
- Proposed Flow sheet design for NiWest project based on low capital intensity heap leaching and downstream processing of nickel and cobalt solutions using Direct Solvent Extraction (DSX)
- NiWest Pre-Feasibility Study on track for completion in the March quarter 2018

During the reporting period GME Resources Limited (“GME” or “the Company”) (GME:ASX) completed the final successful step in its ongoing continuous piloting metallurgical testwork to support the production of high purity nickel products including nickel sulphate from the 100%-owned NiWest Nickel-Cobalt Project in Western Australia (“NiWest” or “NiWest Project”).

Nickel and cobalt in various formats are direct inputs into lithium-ion batteries and GME is targeting production of premium nickel and cobalt products from the NiWest Project to supply the growing lithium-ion battery market.



*Photo 1 : High purity (+99.95%) Nickel products produced from the NiWest continuous pilot plant.*

*Left Rear – Nickel Carbonate | Left Front – pure Nickel Cathode plate from electrowinning | Right – Nickel Sulphate.*

## Flow Sheet Design – Continuous Pilot Plant

The development of the proposed NiWest Project process flowsheet has successfully tested all stages, progressed from column leach testing, continuous piloting of the Pregnant Liquor Solutions (PLS), acid neutralisation and Fe/Al removal, and purification of solutions through the DSX flowsheets to produce pure nickel and cobalt sulphate solution (electrolyte) streams and crystallisation / precipitation of nickel /cobalt products.

The latest stage of the testwork has focused on generating a range of Pure Nickel (Ni) products from the electrolyte streams to prove both the technical effectiveness of the proposed process route and also the flexibility of the process in generation of a pure Ni product satisfying multiple potential customer specifications. In addition, a potentially marketable purified Cobalt product has been generated in the form of a Cobalt Sulphide. Further test work is being undertaken to both optimise the current Cobalt recovery flowsheet and to investigate production of additional Co products suitable for end user requirements. This work will continue over the next few months.

Based on the chemical data available and the excellent physical performance, the pilot plant operation for the proposed NiWest process flowsheet was highly successful. The proposed process DSX flowsheets can treat the NiWest neutralised PLS to generate a pure nickel electrolyte that can be tailored to the generation of multiple high purity nickel products, including nickel Sulphate, nickel metal cathode, nickel carbonate and nickel chloride.

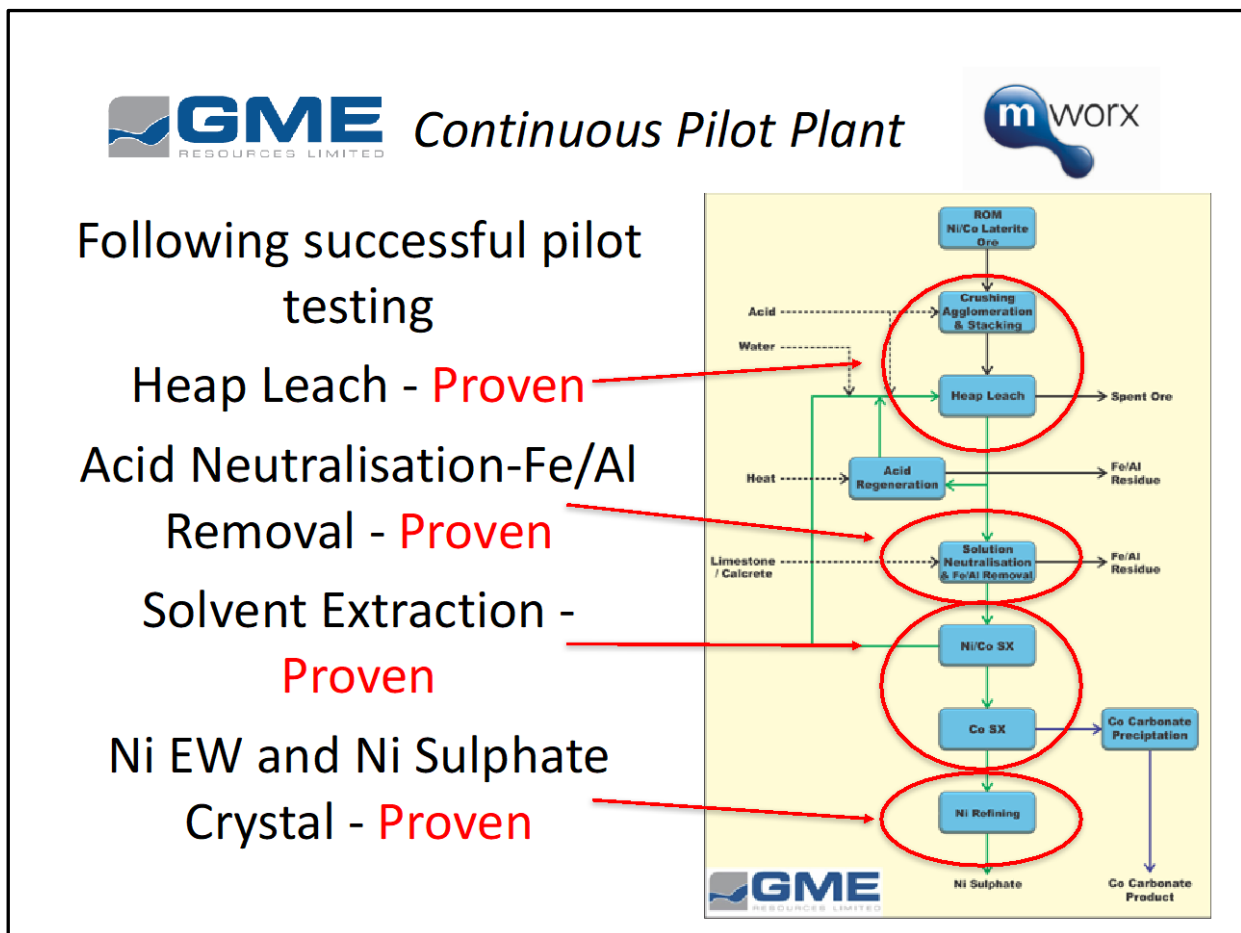


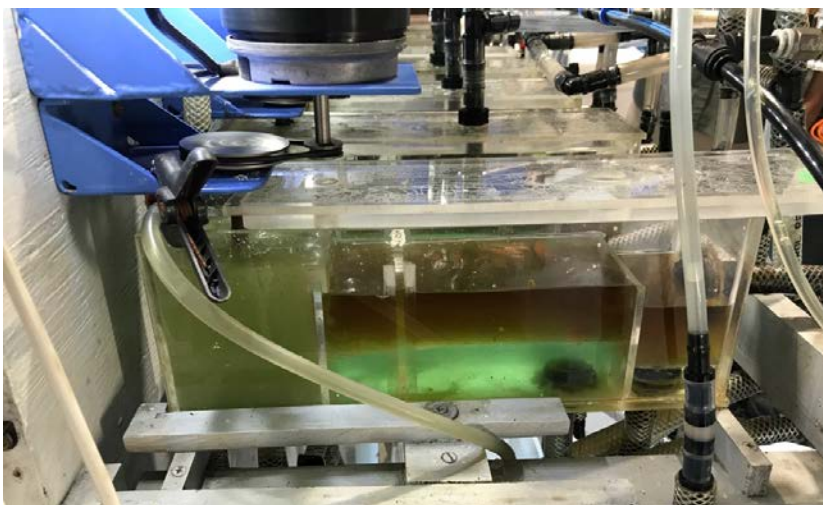
Figure 1: GME has now successfully piloted and tested all key metallurgical process steps for nickel contained in the proposed process flowsheet for its NiWest Ni Laterite Project

## DSX Continuous Piloting Plant

The development of the proposed NiWest Ni Laterite Project process flowsheet has continued following successful column leach testing and continuous piloting of the PLS neutralisation and Fe/Al removal. The latest stage, included batch and continuous piloting of the DSX flowsheet. The flowsheet is designed to generate pure Ni and Co product streams. This particular testwork stage, however, is focused only on generating a pure Ni sulphate solution (electrolyte).

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

Throughout the DSX the six day continuous piloting, the circuit demonstrated excellent physical performance with no phase separation issues noted in the extraction or subsequent stages and no interfacial crud generated or transferred through the circuit.



*Photo 2; Pilot Plant – Extraction Mixer/Settler – cross section (in operation). Clear interface between organic (dark layer) and PLS green blue liquid – showing no signs of interfacial crud and no dispersion band.*



*Photo 3: Pure Ni Sulphate (Electrolyte) Solution generated from the DSX continuous pilot plant. Left hand beaker shows naturally occurring Ni Sulphate crystals that crystallise out of the saturated Ni sulphate solution.*

Preliminary mass balance, flow and assay data has been generated from the pilot plant, results showing that target Ni and Co extraction of +95% were achieved. Target Advance Electrolyte upgrade factors of 14 to 16 times the PLS grade were also achieved, with Ni purity of greater than 98%.

Based on the preliminary chemical data available and the excellent physical performance of the flowsheet, the pilot plant operation was highly successful in confirming the process flowsheet can treat the NiWest neutralised PLS to generate a pure Ni electrolyte that can be suited to generation of multiple high purity Ni products.

In addition to the potential to produce high purity Nickel Sulphate products, the Nickel Electrolyte generated from DSX pilot plant provides considerable flexibility for the production of a range of Nickel formats. In the next (final) stage of the Nickel test work program, the Company intends to expand the range of potential products under consideration for the NiWest project to include LME grade Nickel cathode, Nickel Carbonate and Nickel Chloride.

### **Pre Feasibility Study**

As previously outlined GME is preparing to commence a PFS for the NiWest Project. This PFS will be based on the tested flow sheet design of a combined heap leach and DSX processing operation with refining capability to produce battery grade nickel and cobalt sulphates. The study will determine the capital and operating costs (+/- 30%) for the NiWest Project based on the process flowsheet incorporating the following steps:

- Agglomeration
- Staged Heap Leaching
- Single Stage Acid Neutralisation and Fe/Al Removal
- NiWest Solvent Extraction Process and
- Ni Sulphate crystallisation.

This will also allow the economic and technical viability of the NiWest project to be defined.

The study, which is expected to be completed in the March 2018 quarter, will also include provisional costings for an operation which incorporates a self-contained acid plant which would remove the limitation on production rates that otherwise is determined by locally available acid.

The study will also explore the option to install an SX circuit for the recovery of Scandium Oxide. Batch testing for the recovery of Scandium Oxide from the PLS has proved successful and further test work over is planned over the next six months to investigate the viability of this initiative.

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 2). More than 75% of the Mineral Resource Estimate is contained in the Measure 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 contained nickel-cobalt resource in the GME portfolio. The Hepi project area, located approximately 20 kilometres to the north, 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 with 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 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.

## Gold Assets

Several site visits were undertaken during the reporting period to inspect the Devon Gold Mine which is on Care and Maintenance. Rehabilitation of the site has been completed and will now be monitored as per the Mine Closure Plan.

The Company looks forward welcoming shareholders to its AGM to be held at Unit 5, 78 Marine Terrace, Fremantle on Wednesday 15<sup>th</sup> November at 10am and to providing further updates as work programs progress.



**JAMIE SULLIVAN**  
MANAGING DIRECTOR

27 October 2017

### Competent Person Statements

#### NiWest Nickel Project

Where the Company refers to the NiWest Nickel Cobalt Project Mineral Resource Estimate (referencing the release made to the 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.

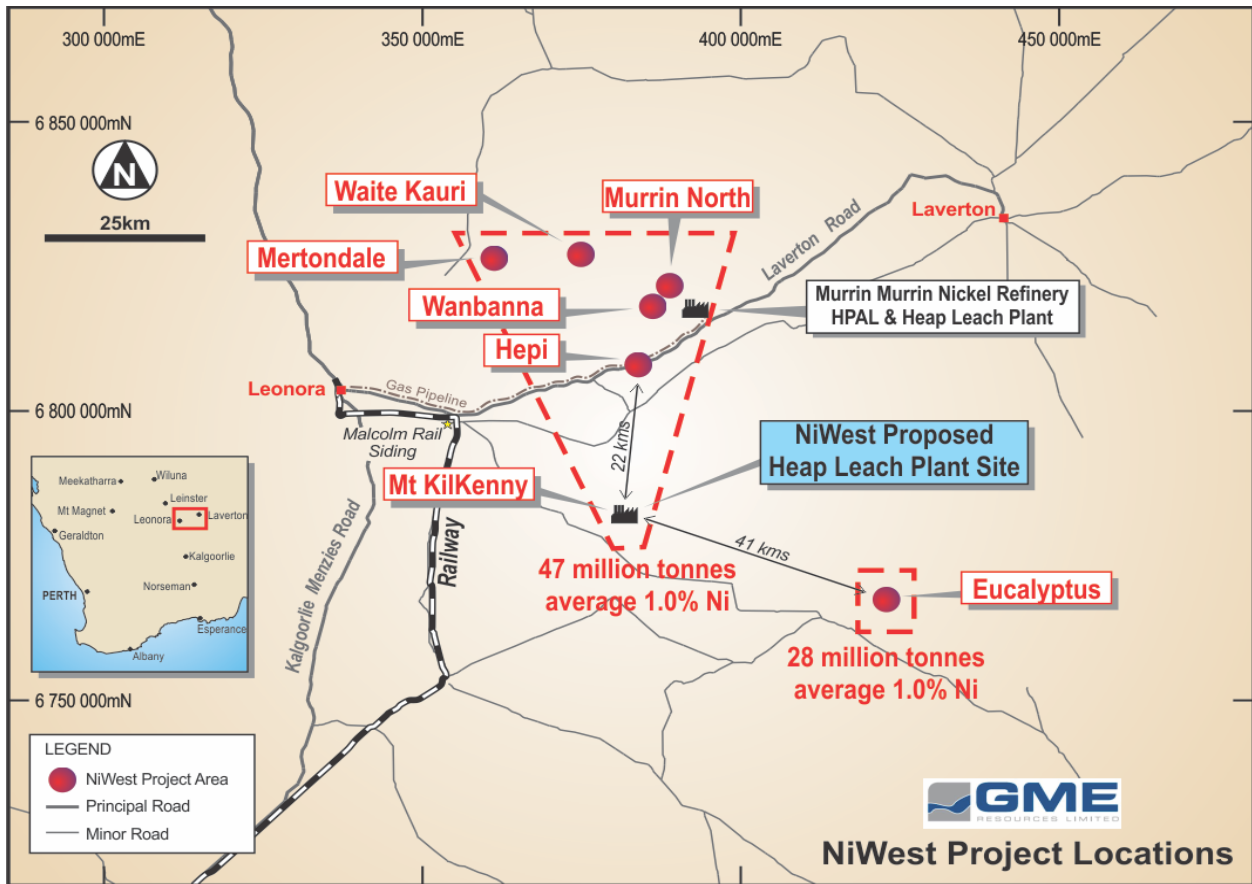
The information in this announcement that relates to Processing / Engineering testwork and related operating and capital cost estimates is based on information reviewed by Mr David Readett (B.E. Met Eng., FAusIMM, CP (Met)). Mr Readett is an independent consulting engineer working through a Company known 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.

#### Gold Projects

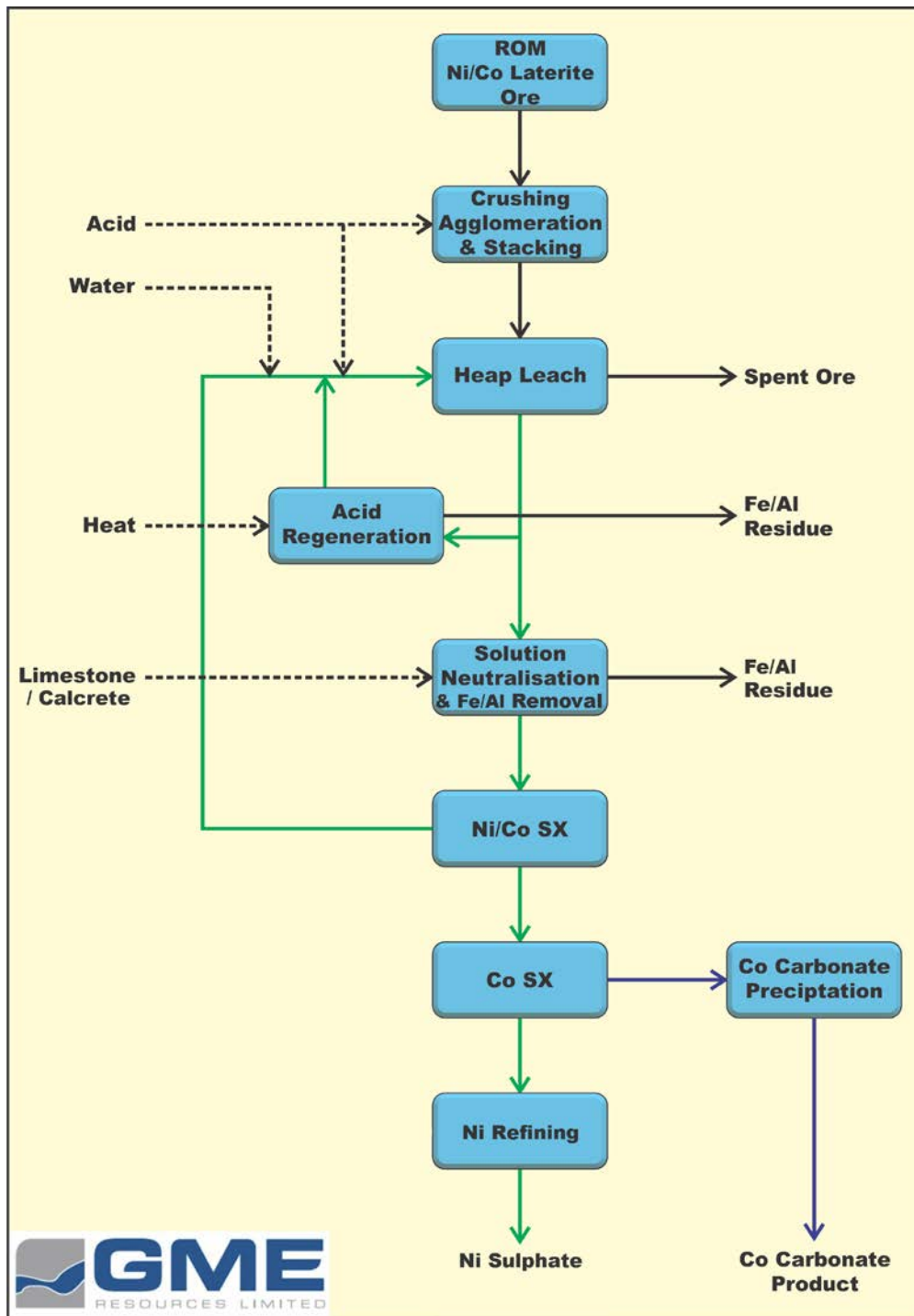
The information in this report that relates to Exploration Results and Mineral Resources for the Company's Gold Projects is based on information compiled by Mr Mark Gunther who is a member of The Australasian Institute of Geoscientists. Mr Gunther is a Principal Consultant with Eureka Geological Services. Mr Gunther 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 Exploration Results, Mineral Resources and Ore Reserves. Mr Gunther consents to the inclusion in the report of the matters based on information provided in the form and context in which it appears.

**Forward Looking Statement** This announcement contains statements related to our future business and financial performance and future events or developments involving GME Resources (GME) that may constitute forward-looking statements. These statements may be identified by words such as "potential", "exploitable", "proposed open pit", "evaluation", "expect," "future," "further," "operation, "development, "plan," "permitting", "approvals", "processing agreement" or words of similar meaning. Such statements are based on the current expectations and certain assumptions of GME management & consultants, and are, therefore, subject to certain risks and uncertainties. A variety of factors, many of which are beyond GME's control, affect our operations, performance, business strategy and results and could cause the actual results, performance or achievements of GME to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

### NiWest Nickel Cobalt Location Plan



APPENDIX 1 NiWest Nickel Cobalt Flow Sheet Schematic



**APPENDIX 2 NiWest Resource Estimate JORC 2012**

Table 1: Mineral Resource Estimate for NiWest Nickel Cobalt Project 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
<b>Total</b>	<b>81</b>	<b>1.03</b>	<b>0.06</b>	<b>830</b>	<b>52</b>

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)
<b>Eucalyptus</b>	<b>34.9</b>	<b>1.00</b>	<b>0.06</b>	<b>349</b>	<b>21.7</b>
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
<b>Mt Kilkenny</b>	<b>24.2</b>	<b>1.08</b>	<b>0.07</b>	<b>261</b>	<b>16.5</b>
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
<b>Wanbanna*</b>	<b>10.8</b>	<b>1.03</b>	<b>0.07</b>	<b>111.2</b>	<b>7.2</b>
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
<b>Hepi</b>	<b>3.4</b>	<b>1.09</b>	<b>0.06</b>	<b>37</b>	<b>2.0</b>
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
<b>Murrin North</b>	<b>3.7</b>	<b>0.97</b>	<b>0.06</b>	<b>35.7</b>	<b>2.3</b>
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
<b>Waite Kauri</b>	<b>1.8</b>	<b>0.98</b>	<b>0.05</b>	<b>18</b>	<b>1.0</b>
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
<b>Mertondale</b>	<b>1.9</b>	<b>0.98</b>	<b>0.07</b>	<b>18.4</b>	<b>1.3</b>
Measured	-	-	-	-	-
Indicated	1.9	0.98	0.07	18.4	1.3
Inferred	-	-	-	-	-
<b>TOTAL</b>	<b>81</b>	<b>1.03</b>	<b>0.06</b>	<b>830</b>	<b>52</b>
<b>Measured</b>	<b>34</b>	<b>1.07</b>	<b>0.07</b>	<b>362</b>	<b>23</b>
<b>Indicated</b>	<b>28</b>	<b>1.02</b>	<b>0.06</b>	<b>282</b>	<b>17</b>
<b>Inferred</b>	<b>19</b>	<b>0.98</b>	<b>0.06</b>	<b>186</b>	<b>12</b>



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)
<b>Eucalyptus</b>	<b>13.3</b>	<b>1.19</b>	<b>0.07</b>	<b>158.7</b>	<b>9.7</b>
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
<b>Mt Kilkenny</b>	<b>12.7</b>	<b>1.24</b>	<b>0.08</b>	<b>158.3</b>	<b>10.1</b>
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
<b>Wanbanna*</b>	<b>5.1</b>	<b>1.19</b>	<b>0.08</b>	<b>60.6</b>	<b>4.0</b>
Measured	-	-	-	-	-
Indicated	4.8	1.19	0.08	56.9	3.7
Inferred	0.3	1.16	0.08	3.7	0.3
<b>Hepi</b>	<b>1.5</b>	<b>1.33</b>	<b>0.07</b>	<b>20.6</b>	<b>1.1</b>
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
<b>Murrin North</b>	<b>1.25</b>	<b>1.14</b>	<b>0.07</b>	<b>14.0</b>	<b>0.9</b>
Measured	1.24	1.14	0.07	14.2	0.89
Indicated	0.01	1.04	0.04	0.1	0.01
Inferred	-	-	-	-	-
<b>Waite Kauri</b>	<b>0.58</b>	<b>1.23</b>	<b>0.08</b>	<b>7.0</b>	<b>0.46</b>
Measured	0.52	1.25	0.09	6.49	0.45
Indicated	0.06	1.08	0.02	0.65	0.01
Inferred	-	-	-	-	-
<b>Mertondale</b>	<b>0.7</b>	<b>1.14</b>	<b>0.07</b>	<b>7.9</b>	<b>0.46</b>
Measured	-	-	-	-	-
Indicated	0.7	1.14	0.07	7.9	0.46
Inferred	-	-	-	-	-
<b>Total</b>	<b>35.1</b>	<b>1.21</b>	<b>0.08</b>	<b>427</b>	<b>27</b>
<b>Measured</b>	<b>17.0</b>	<b>1.24</b>	<b>0.08</b>	<b>212</b>	<b>14</b>
<b>Indicated</b>	<b>12.1</b>	<b>1.18</b>	<b>0.07</b>	<b>144</b>	<b>9</b>
<b>Inferred</b>	<b>6.0</b>	<b>1.20</b>	<b>0.07</b>	<b>71</b>	<b>4</b>