

# Renounceable Entitlement Issue Offer Booklet Despatched

15 May 2018



**GME Resources Limited ('GME' or the 'Company')** advises that in accordance with our estimated timetable the Company has despatched the Offer Documents for the 1 for 25 Renounceable Entitlement Issue today 15 May 2018. The Offer Booklet is attached for immediate release.

As a reminder, the estimated timetable for the entitlement issue is set out below. The dates are indicative only and GME reserves the right to vary the dates subject to the Corporations Act 2001, the ASX Listing Rules and other applicable law.

## Timetable

Offer Document announced	7 May 2018
Securities quoted on an "ex" basis and Entitlements trading begins	10 May 2018
Record Date (for determining shareholders' entitlements to receive an issue of new shares under the Entitlement Issue)	11 May 2018
Entitlement and Acceptance form and Offer document dispatched to Shareholders	15 May 2018
Entitlements trading ends	29 May 2018
Closing date of Entitlement Issue	5 June 2018
Notify ASX of under subscriptions	8 June 2018
Issue shares	13 June 2018
Dispatch of Shareholder Statements	14 June 2018

Eligible Shareholders should read the Offer Booklet carefully before making any investment decision regarding the Entitlement Issue.

A handwritten signature in blue ink, appearing to read 'Mark Pitts'.

**Mark Pitts**  
Company Secretary



**ABN 62 009 260 315**

# **RENOUNCEABLE ENTITLEMENT ISSUE OFFER BOOKLET**

**A Renounceable Pro Rata Offer of up to  
18,543,855 new shares at 11 cents each  
to Eligible Shareholders, on the basis of  
1 share for every 25 shares  
held at the Record Date, to raise up to \$2,039,824**

The Offer is partially underwritten to \$814,661 by Somers & Partners Pty Limited (AFSL No. 403684) (Underwriter). Refer to section 3.2 of this Offer Booklet for further details regarding the Underwriting Agreement.

**THIS OFFER CLOSSES AT 5.00PM WST ON 5 JUNE 2018.  
VALID ACCEPTANCES MUST BE RECEIVED BEFORE THAT TIME.**

Please read the instructions in this Offer and on the accompanying Entitlement and Acceptance Form regarding the acceptance of your entitlement.

This is an important document and requires your immediate attention. It should be read in its entirety. If you are in doubt about what to do, you should consult your professional adviser without delay. The securities offered by this Offer are of a speculative nature.

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## TIMETABLE FOR THE ENTITLEMENT OFFER

Announcement of Offer and lodgement of Appendix 3B and Section 708AA Notice	7 May 2018
Notice to shareholders	9 May 2018
Securities quoted on an "ex" basis and rights trading starts on a deferred settlement basis	10 May 2018
Record Date	11 May 2018
Offer Opens; Offer Document and Entitlement and Acceptance Form despatched to Eligible Shareholders	15 May 2018
Rights trading ends	29 May 2018
Securities quoted on a deferred settlement basis	30 May 2018
Closing Date	5 June 2018
Notify ASX of shortfall	8 June 2018
Anticipated date for the issue of the shares	13 June 2018
Dispatch of holding statements	14 June 2018

Subject to the ASX Listing Rules, the directors reserve the right to extend the Closing Date for the Offer. Any extension of the Closing Date will have a consequential effect on the anticipated date for issue of the shares. The commencement of quotation of new shares is subject to confirmation from ASX.



**ABN 62 009 260 315**

## **LETTER FROM THE CHAIRMAN**

7 May 2018

Dear Shareholder

On behalf of the Directors of GME Resources Limited, I invite you to make a further investment in your Company.

The Company is pleased to offer Eligible Shareholders a 1:25 renounceable Entitlement Issue at an issue price of 11 cents per share to issue 18,543,855 shares (New Shares) to raise gross proceeds up to \$2,039,824.

Funds raised from the issue will be used to complete the Pre-Feasibility Study on the NiWest Nickel - Cobalt Project and for general working capital purposes.

**I am pleased to advise that the Company's major shareholder, ICM Limited and its related parties and the Directors intend to take up their Entitlements in full for a combined amount of \$1,225,163. In addition, the Company has signed an underwriting agreement with Somers and Partners Pty Ltd for the partial underwriting for the balance of the Offer up to \$814,661.**

Key work programs currently underway and which will benefit from the application of funds raised are resource modelling, mine planning and optimisation activities focussed on plant throughput and heap pad heights.

Technical evaluation and metallurgical testwork on the NiWest Project has also more recently focussed on developing a simple, cost effective and flexible flowsheet to deliver high-purity nickel and cobalt products to service the rapidly growing Electric Vehicle battery minerals market.

On 9 October 2017, GME announced that it had produced high purity nickel products including nickel sulphate, nickel carbonate and nickel cathode. During the March 2018 quarter GME also produced high quality cobalt sulphide. As a result, the Company has now successfully tested all stages of the proposed flowsheet, namely heap leach, acid neutralisation and Fe/Al removal, direct solvent extraction (DSX) and nickel/cobalt production.

Accompanying this Offer Booklet is your personalised Entitlement and Acceptance Form which details your entitlement and sets out the instructions for participating in the issue including applying for additional shares. If you do wish to participate please note the Closing date of 5 June 2018.

Accordingly, I encourage your participation in this Entitlement Issue. Should you wish to discuss any aspect of this capital raising please do not hesitate to contact myself, my fellow Directors or the Company Secretary, Mark Pitts on (08) 9316 9100

Yours faithfully

A handwritten signature in black ink, appearing to read 'Peter Sullivan', with a stylized flourish at the end.

**Mr Peter Sullivan  
Chairman**

# Entitlement Issue Offer Document

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## 1. Introduction

GME Resources Limited (GME Resources or the Company) is making a renounceable pro-rata offer of shares to Eligible Shareholders, at the Record Date, of GME Resources with a registered address in Australia, New Zealand and Bermuda to raise up to \$2,039,824.

This is an important document and requires your immediate attention. It should be read in its entirety.

The Offer is being made under section 708AA of the Corporations Act. This document is not a prospectus and does not contain all of the information that would ordinarily be contained in a prospectus.

Shareholders should be aware that investment in GME Resources involves many risks which may be higher than risks associated with investments in other companies. Investors should consider the investment in GME Resources speculative. If you are in doubt what to do or whether to accept the Offer you should consult your stockbroker, accountant, solicitor or other professional adviser without delay.

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation not so contained may not be relied on as having been authorised by GME Resources in connection with the Offer.

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## 2. Details of Offer

### 2.1 Offer

GME Resources is making a renounceable pro-rata offer of New Shares each at an issue price of \$0.11 to persons registered as the holder of shares on the Record Date whose registered address is in Australia, New Zealand<sup>1</sup> and Bermuda (**Eligible Shareholders**) on the basis of one (1) share for every twenty five (25) shares held at the Record Date (**Offer**). Where the determination of the entitlement of any Eligible Shareholder results in a fraction of a share, such fraction will be rounded down to the nearest whole share.

GME Resources will accept Entitlement and Acceptance Forms until 5.00pm WST on the Closing Date in the Timetable set out on page 1 or such other date as the directors in their absolute discretion shall determine, subject to the requirements of the ASX Listing Rules.

The number of New Shares to which you are entitled (**Entitlement**) is shown on the Entitlement and Acceptance Form accompanying this Offer. You may accept the Offer only by applying for shares on a personalised Entitlement and Acceptance Form sent with this Offer Document.

You may accept all or only part of your Entitlement. If you decide not to accept your Entitlement you can renounce (sell) the entitlement (refer section 2.2). If the Entitlement is not accepted or renounced, it will lapse and may be placed by the Directors as Shortfall securities in accordance with section 2.5.

Eligible Shareholders may also apply for additional shares in excess of their Entitlement at the same issue price of \$0.11 per share (Additional Shares). The ability to apply for Additional Shares provides an opportunity for Eligible Shareholders to top up their holdings. There is a cap such that the maximum number of Additional Shares that will potentially be available to each Eligible Shareholder is 50% more than their Entitlement<sup>2</sup>. Any application for Additional Shares will be subject to compliance with the Corporations Act, Foreign Acquisitions and Takeovers Act 1975 (Cth) and other applicable laws.

Acceptance of a completed Entitlement and Acceptance Form by GME Resources creates a legally binding contract between the applicant and GME Resources for the number of shares accepted or deemed to be accepted by the applicant. The Entitlement and Acceptance Form does not need to be signed by the applicant to be legally binding. The Offer and contract formed on acceptance are governed by the applicable law of Western Australia.

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<sup>1</sup>Please note that, pursuant to the Securities Act (Overseas Companies) Exemption Notice 2002, those New Zealand shareholders at the Record Date who cease to hold shares between that date and the date on which the Offer opens (15 May 2018) are no longer eligible to participate in the Offer.

<sup>2</sup>By way of example, if an Eligible Shareholder holds 2,500 shares, they will be entitled to 100 shares under the Offer. If they apply for the 100 New Shares, they will also be entitled to apply for 50 Additional Shares. Further details regarding the Additional Shares are contained in section 2.3.

If the Entitlement and Acceptance Form is not completed correctly it may still be treated as valid. The directors' decision as to whether to treat the acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

New Shares offered by this Offer Document are expected to be issued, and security holder statements dispatched, on the date specified in the Timetable.

It is the responsibility of applicants to determine their allocation prior to trading in the shares. Applicants who sell shares before they receive their holding statements will do so at their own risk.

## **2.2 Entitlement trading**

The Entitlement Issue is renounceable, which means that Eligible Shareholders may sell or transfer all or any part of their Entitlement. This means that Eligible Shareholders are able to renounce (sell) the entitlement and Entitlements which they do not wish to accept, in order to realise the value which may attach to their Entitlement. Entitlement trading is expected to commence on 10 May 2018 and conclude on 29 May 2018.

## **2.3 Applying for Additional Shares**

Eligible Shareholders who have subscribed for their Entitlement in full may also apply for Additional Shares in excess of their Entitlement at the same issue price of \$0.11 per share. There is a cap such that the maximum number of Additional Shares that will potentially be available to each Eligible Shareholder is 50% more than their Entitlement. Acceptance of any application for Additional Shares in excess of the relevant Entitlement is subject to compliance with the Corporations Act, Foreign Acquisitions and Takeovers Act 1975 (Cth) and other applicable laws.

It is possible that there will be few or no Additional Shares available, depending on the level of acceptance of Entitlements by Eligible Shareholders. There is therefore no guarantee that if Additional Shares are available for issue, they will be allocated to all or any of the Eligible Shareholders who have applied for them. In the event that applications for Additional Shares exceed the number of New Shares that are available then there will be a scale back on a pro rata basis.

The Company may issue to an Applicant a lesser number of Additional Shares than the number applied for, reject an application for Additional Shares or not proceed with the issuing of all or part of the Additional Shares. If the number of Additional Shares allocated and issued is less than the number applied for, surplus application monies will be refunded without interest.

Any application for Additional Shares should be made by completing the relevant section of the Entitlement and Acceptance Form and making payment in accordance with the instructions. (Refer section 6)

## **2.4 Underwriting and Commitments**

The Company has been advised by ICM Limited and its related parties and the Directors of their intention to take up their Entitlements in full for a combined amount of \$1,225,163:

In addition, the Company has signed an underwriting agreement with Somers and Partners Pty Ltd for the partial underwriting for the balance of the Offer up to \$814,661. (refer section 3.2)

## **2.5 Shortfall shares**

The Directors reserve the right to allocate the Shortfall in conjunction with the Underwriter. Unless otherwise agreed between the Company and the Underwriter, if there is a Shortfall, the Company will first allocate the Shortfall to:

- a) those Eligible Shareholders who have applied for Additional Shares in accordance with Section 2.3; and
- b) if following the allocation in (a) there remains a Shortfall, to those investors to whom the Underwriter in agreement with the Company decides.

## **2.6 ASX quotation and Deferred Settlement Trading**

Application will be made to ASX for the official quotation of the New Shares to be issued under the Offer. If permission is not granted by ASX for the official quotation of the New Shares to be issued under the Offer, GME Resources will repay, as soon as practicable, without interest, all application monies received pursuant to the Offer.

There will be trading of shares on a deferred settlement basis (refer Timetable at section 2.2). Trading of the New Shares will, subject to ASX approval, occur on or about the date specified in the Timetable.

## 2.7 Taxation implications

The directors do not consider it appropriate to give shareholders advice regarding the taxation consequences of the Entitlements under this Offer Document. GME Resources, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to shareholders. As a result, shareholders should consult their professional tax adviser in connection with the Entitlements under this Offer Document.

## 2.8 Overseas shareholders

This Offer Document does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. It is intended only to make an offer to shareholders resident in Australia, New Zealand and Bermuda. The Company has formed this view after an examination of the register which indicated 98% of holders reside in Australia, New Zealand and Bermuda and will be eligible to participate in the offer.

Therefore the Company is of the view that it is unreasonable to make an offer to shareholders outside of Australia, New Zealand and Bermuda (Ineligible Shareholders) having regard to:

- (a) the number of shareholders outside of Australia, New Zealand and Bermuda ;
- (b) the number and value of the securities to be offered to shareholders outside of Australia, New Zealand and Bermuda; and
- (c) the cost of complying with the legal requirements and requirements of regulatory authorities in the overseas jurisdictions.

### Appointment of Nominee

In accordance with section 615 of the Corporations Act, the Company will appoint an ASIC approved nominee (**Nominee**) to arrange for the sale on ASX of the Entitlements which may have been issued to Ineligible Shareholders. The Nominee will direct the net proceeds (if any, after deduction of the issue price and the costs of sale) to the Company to facilitate pro rata payments of any net proceeds to Ineligible Shareholders.

The Company has sought approval from ASIC to appoint Somers and Partners Pty Ltd as Nominee for the purposes of section 615.

The Nominee will have the absolute and sole discretion to determine the timing and the price at which the Entitlements issued to it may be sold and the manner in which any sale is made. Any interest earned on the proceeds of the sale of these Entitlements will firstly be applied against expenses of such sale, including brokerage, and any balance will accrue to the Company.

The proceeds of sale (if any) will be paid in Australian dollars to the Ineligible Shareholders for whose benefit the Entitlements have been sold in proportion to their shareholdings (after deducting brokerage, commission and other expenses).

If any such net proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company.

Notwithstanding that the Nominee must sell the Entitlements, Excluded Shareholders may nevertheless receive no net proceeds if the Issue Price plus the costs of the sale are greater than the sale proceeds.

Neither the Company nor the Nominee will be liable for a failure to obtain any net proceeds, or to sell the Entitlements at any particular price.

This Entitlement Offer remains subject to ASIC's approval of the Company's application to appoint the Nominee. The Company sees no reason why such approval should not be obtained, however, there is no guarantee that it will be obtained. If the approval is not obtained the Entitlement Offer may not proceed in its current form, the Company will keep the market informed in the event that it's application is not approved.

The distribution of this Offer Document in jurisdictions outside Australia, New Zealand and Bermuda may be restricted by law and persons who come into possession of this Offer Document should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia, New Zealand and Bermuda should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

The Offer to New Zealand investors is being made pursuant to the New Zealand Securities Act (Overseas Companies) Exemption Notice 2002.

No person is authorised to give information or to make any representation in connection with this Offer Document which is not contained in the Offer Document. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Offer Document.

In making representations in this Offer Document regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

Members of the public in Australia, New Zealand and Bermuda who are not existing shareholders on the Record Date are not entitled to apply for any shares.

## **2.9 Foreign Selling Restrictions**

The information has been prepared to comply with the requirements of the securities laws of Australia.

The Offer Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Entitlement Offer, the Entitlements, or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia.

The distribution of this information (including an electronic copy) outside Australia, New Zealand and Bermuda may be restricted by law. If you come into possession of this information, you should observe such restrictions and should seek your own advice on such restrictions.

### **New Zealand**

The Entitlements and the New Shares are not being offered or sold to the public in New Zealand other than to existing shareholders of GME with registered addresses in New Zealand to whom the offer of these securities is being made with reliance on the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

This document contains an offer to Eligible Shareholders of continuously quoted securities and has been prepared in compliance with Australian law and has not been registered, filed with or approved by and New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

### **Bermuda**

The Company is not making any invitation to persons resident in Bermuda for exchange control purposes to subscribe for New Shares.

## **2.10 Privacy**

GME Resources collects information about each applicant provided on an Entitlement and Acceptance Form for the purposes of processing the application and, if the application is successful, to administer the applicant's security holding in GME Resources.

By submitting an Entitlement and Acceptance Form, each applicant agrees that GME Resources may use the information provided by an applicant on the Entitlement and Acceptance Form for the purposes in this privacy disclosure statement and may disclose it for those purposes to the share registry, GME Resources' related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Entitlement and Acceptance Form, GME Resources may not be able to accept or process your application.

An applicant has a right to gain access to the information that GME Resources holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to GME Resources' registered office.

## **2.11 Enquiries**

Enquiries concerning the Entitlement and Acceptance Form can be obtained by contacting Computershare Investor Services Pty Limited by telephone - 1300 263 821 (within Australia) and +61 3 9415 4873 (outside Australia).

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### 3. Effect of the Offer

#### 3.1 Capital Structure on Completion of the Offer

##### *Assuming Full Subscription*

Issued Capital	Notes	Number of Shares
Issued capital at the date of this Offer		463,596,374
Entitlement Offer	1	18,543,855
<b>Total securities on issue on completion</b>		<b>482,140,229</b>

1 Assumes that the Offer is fully subscribed.

#### 3.2 Underwriting arrangements

Somers and Partners Pty Ltd have agreed with the Company to partially underwrite the Entitlement Offer (the Underwriters).

Pursuant to the Underwriting Agreement, the Underwriters have agreed to underwrite the Entitlement Offer up to an amount of \$814,661. The Company together with the Underwriter will determine the level of acceptances including the applications for Additional Shares with reference to sections 2.3, 2.4 and 2.5 of this Offer Booklet.

The Underwriter may terminate its obligations under the Underwriting Agreement if any one or more of the events set out in section 3.3 occurs at any time prior to the Closing date.

The Underwriting Agreement provides for the Underwriter to be paid a fee of 4% of the amount underwritten.

#### 3.3 Underwriting Termination Events

##### **Unqualified termination events**

The Underwriter may at any time by notice given to the Company immediately, without cost or liability to itself, terminate this Agreement so that it is relieved of all its obligations under this Agreement if, in the reasonable opinion of the Underwriter, any of the following events occurs before Completion:

- (a) **(Offer Documents)** the Offer Documents contain (whether by omission or otherwise) any statement which is false, misleading or deceptive or they otherwise do not comply with the Corporations Act or any other applicable law;
- (b) **(ASIC action)** ASIC:
  - (i) applies for an order under Part 9.5 in relation to the Offer or the Offer Documents;
  - (ii) holds or commences, or gives notice of intention to hold or commence, a hearing or investigation in relation to the Offer or any Offer Document under the Corporations Act or the Australian Securities and Investments Commission Act 2001 (Cth); or
  - (iii) either:
    - (A) prosecutes or gives notice of an intention to prosecute; or
    - (B) commences proceedings against, or gives notice of an intention to commence proceedings against,

the Company or any of its officers, employees or agents in relation to the Offer or the Offer Documents;

- (c) **(quotation)** ASX indicates to the Company that it will not approve the granting of official quotation to the Offer Shares by 5.00pm (WST) on the Business Day immediately preceding the Settlement Date;
- (d) **(listing)** the Company ceases to be admitted to the official list of ASX or the Shares cease to be quoted on ASX;
- (e) **(Insolvency)** any Group Member is Insolvent or there is an act or omission which is likely to result in a Group Member becoming Insolvent;
- (f) **(withdrawal)** the Company withdraws the Offer;
- (g) **(Director)** a Director:
  - (i) is charged with an indictable offence or any regulatory body commences any public action against the Director in his or her capacity as a director of the Company or announces that it intends to take any such action; or
  - (ii) is disqualified from managing a corporation under sections 206B, 206C, 206D, 206E, 206F or 206G; and
- (h) **(misleading or deceptive conduct)** civil or criminal proceedings are brought against the Company or any Director or other officer of the Company in relation to any fraudulent, misleading or deceptive conduct by or on behalf of the Company (whether or not in connection with the Offer).

#### **Qualified termination events**

The Underwriter may at any time by notice given to the Company immediately, without cost or liability to itself, terminate the Agreement so that it is relieved of all its obligations under the Agreement if, in the reasonable opinion of the Underwriter, any of the following events occurs before Completion:

- (i) **(misrepresentation)** a representation or warranty made or given by the Company under the Agreement proves to be, has been or becomes, untrue or incorrect; or
- (j) **(breach)** the Company fails to perform or observe any of its obligations under the Agreement.

#### **Limitation on exercise of rights**

An event listed as a Qualified termination event does not entitle the Underwriter to terminate the Agreement unless, in the reasonable opinion of the Underwriter, the event:

- (k) has had or is likely to have a material adverse effect on:
  - (i) the success of the Offer;
  - (ii) the willingness of persons to apply for, or settle obligations to subscribe for, Offer Shares under the Offer; or
  - (iii) the price or likely price at which Shares are likely to trade on ASX; or
- (l) has given or is likely to give rise to:
  - (i) a contravention by the Underwriter of, or the Underwriter being involved in a contravention of, the Corporations Act or any other applicable law; or
  - (ii) a liability for the Underwriter.

### 3.4 Effect of Offer on control of the Company

Shareholders should note that if they do not participate in the Entitlement Issue, their holdings will be diluted. Examples of the dilution may impact Shareholder are detailed in the table below.

Shareholder	Holding as at Record Date	% at Record Date (subject to rounding)	Entitlement under the Offer (subject to rounding)	Holding if Offer not taken up (assuming all Shares are issued under the Offer/Shortfall)	% post completion of the Offer (subject to rounding) <sup>1</sup>
Shareholder 1	10,000,000	2.16%	400,000	10,000,000	2.07%
Shareholder 2	5,000,000	1.08%	200,000	5,000,000	1.04%
Shareholder 3	1,000,000	0.22%	40,000	1,000,000	0.31%
Shareholder 4	100,000	0.02%	4,000	100,000	0.08%
Shareholder 5	50,000	0.01%	2,000	50,000	0.01%

<sup>1</sup> The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not taken up are dealt with as Shortfall and are placed by the Company and the Underwriter.

The Company's major shareholders have indicated that they wish to take up their full Entitlements under the offer. Control will be affected by the level of applications under the Entitlement Issue. Based on current disclosures made by substantial shareholders in the Company the maximum percentage shareholding any existing shareholder could attain through taking up their entitlement would increase from 43.96% to 44.93%.

The final percentage interests held by substantial shareholders of the Company is entirely dependent on the extent to which other shareholders take up their Entitlements.

The Company expects that the potential effect of the issue of shares under the Entitlement Issue on the control of the Company will be minimal.

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#### 4. Use of Funds

The funds to be raised from the Offer will be applied to the following areas:

<b>Use of Funds</b>	<b>Full Subscription</b>
<b>Total Raised in the Offer</b>	2,039,824
Less: Costs of issue	54,329
<b>Net amount raised</b>	<b>1,985,495</b>
Progression of NiWest Nickel Laterite project Pre-feasibility Study	1,500,000
Working Capital	485,495
<b>Funds Applied</b>	<b>1,985,495</b>

To the extent that the funds raised fall below the level shown above, the Directors will determine the most appropriate level of expenditure by category and project area, however, funds raised will be firstly applied to expenses of the Offer and then to the NiWest Nickel Laterite project Pre-feasibility Study.

The Directors are of the opinion that on completion of the Offer there will be sufficient working capital for the Company to meet its stated objectives.

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## 5. Risk Factors

Potential investors in the Company should be aware that subscribing for shares involves a number of risks. The risk factors outlined in this Section and elsewhere in this Offer should be carefully considered by investors when evaluating an investment in the Company. In addition, investors should appreciate that the value of shares and options on ASX may rise or fall depending on a range of factors beyond the control of the Company. This is especially the case with companies undertaking mining and exploration activities.

Any of the factors set out in this Section or any other factors identified in this Offer may materially affect the financial performance of the Company and the market price of the shares. To that extent the shares carry no guarantee with respect to the payment of dividends, return on capital or the price at which those shares will trade on the ASX.

The Directors consider that an investment in the Company should be considered speculative due to:

- the recent volatility in publicly listed entities on world stock markets generally, and of mining and exploration companies in particular; and
- the speculative nature of mining and exploration activities.

While the Company plans to take prudent measures to safeguard from, or mitigate its exposure to these risks, many of the risks are outside of the Company's control.

There are a number of risk factors that investors should consider before deciding whether or not to invest in the shares. The principal risk factors include, but are not limited to, the following:

### 5.1 Security Investments

Applicants should be aware that there are risks associated with any securities investment. The prices at which the shares trade may be above or below the Offer Price, and may fluctuate in response to a number of factors.

Further, the stock market and in particular the market for mining and exploration companies have experienced price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of such companies. There can be no guarantee that these trading prices will be sustained. These factors may materially affect the market price of the shares, regardless of the Company's operational performance. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

### 5.2 Exploration and Development Risks

Mineral exploration and mining are high risk enterprises, only occasionally providing high rewards. In addition to the normal competition for prospective ground, and the high average costs of discovery of an economic deposit, factors such as demand for commodities, stock market fluctuations affecting access to new capital, sovereign risk, environmental issues, labour disruption, project financing difficulties, foreign currency fluctuations and technical problems all affect the ability of a company to profit from any discovery.

There is no assurance that exploration and development of the mineral interests held by the Company, or any other projects that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be profitably exploited.

The Company is currently working through a pre-feasibility study to determine if a particular process flow sheet will meet with its stated goals and objectives. There can be no guarantees that the scientific, geological, engineering and economic objectives can be met.

### 5.3 Resource Estimates

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates which were valid when made may change significantly when new information becomes available.

In addition, resource estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should the Company encounter mineralisation or formations different from those predicted by past drilling, sampling and similar examinations, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect the Company's operations.

#### **5.4 Title**

All of the tenements in which the Company holds or may earn an interest in, will be subject to applications for renewal. The renewal of the term of each tenement is at the discretion of the responsible Minister.

If a tenement is not renewed, the Company may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on that tenement.

#### **5.5 Native Title Risks**

Some or all of the mining tenements held by the Company may be subject to native title claims in the future. Should a native title claim be lodged in respect to one of the Company's mining tenements, it may have a material adverse effect on the Company's business and its financial condition and performance.

#### **5.6 Policies and Legislation**

Any material adverse changes in government policies or legislation affecting mining and exploration activities may affect the viability and profitability of the Company.

#### **5.7 Joint Venture Parties and Contractors**

The Directors are unable to predict the risk of:

- financial failure or default by a participant in any joint venture to which the Company is, or may become, a party; or
- insolvency or other managerial failure by any of the contractors used by the Company in its exploration or other activities; or
- insolvency or other managerial failure by any of the other service provider used by the Company for any activity.

#### **5.8 Future Capital Needs and Additional Funding**

The future capital requirements of the Company will depend on many factors including the results of any future exploration and work programs, and the ability to successfully exploit identified mineral deposits. The Company believes its available cash and the net proceeds of this Offer should be adequate to fund the continued exploration and development of the projects and other Company objectives as stated in this Offer.

Should the Company require additional funding there can be no assurance that additional financing will be available on acceptable terms, or at all. Any inability to obtain additional finance, if required, would have a material adverse effect on the Company's business and its financial condition and performance.

#### **5.9 Operating Risks**

Many of the Company's mineral assets are in a pre-development phase. As a result, the Company will be subject to all the risks inherent in the establishment of new mining operations. No assurances can be given to the level of viability that the Company's operations may achieve.

The operations of the Company, if and when it commences production, may be disrupted by a variety of risks and hazards which are beyond the control of the Company, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement or hazardous weather conditions, fire, explosions and other incidents beyond the control of the Company.

These risks and hazards could also result in damage to, or destruction of, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. While the Company currently intends to maintain insurance within ranges of coverage consistent with industry practice, no assurance can be given that the Company will be able to obtain such insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims.

#### **5.10 Commodity Price Volatility**

It is anticipated that any revenues derived from mining will primarily be derived from the sale of nickel and cobalt. Consequently, any future earnings are likely to be closely related to the price of these commodities and the terms of any off-take agreements which the Company enters into.

Nickel and cobalt prices may fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world demand for nickel and cobalt, forward selling by producers, and production cost levels in other nickel and cobalt producing regions.

Moreover, nickel and cobalt prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates, currency and exchange rate fluctuations, and global and regional demand for, and supply of, the metals as well as general global economic conditions. These factors may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

#### **5.11 Environmental Risks**

The Company's projects are subject to Western Australian and Federal Australian laws and regulations regarding environmental matters and the discharge of hazardous wastes and materials. As with all mining projects, these projects would be expected to have a variety of environmental impacts should development proceed. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws.

#### **5.12 Economic Risk**

Changes in customer preference or the general economic climate in which the Company operates may adversely affect the financial performance of the Company. Factors which may contribute to that general economic climate include the level of direct and indirect competition against the Company, industrial disruption in Australia, the rate of growth of Australia's gross domestic product, interest rates and the rate of inflation.

#### **5.13 Litigation risk**

The Company is subject to litigation risks. All industries, including the minerals exploration industry, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit.

Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company is or may become subject could have a material effect on its financial position, results of operations or the Company's activities.

#### **5.14 Reliance on Key Personnel**

The Company is reliant on a number of key employees. The loss of one or more of its key personnel could have an adverse impact on the business of the Company.

#### **5.15 Tax Reform**

The Australian Government has indicated that it may introduce further tax reform. The introduction and scope of this further tax reform is uncertain. Until the precise nature of this reform is determined, the Company is not able to give any assurance as to the impact on its operating and financial performance.

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## **6. Action Required by Shareholders**

### **6.1 Acceptance of shares under this Offer Document**

Should you wish to accept all of your Entitlement to subscribe for New Shares (in which case you may apply for Additional Shares), then applications for New Shares under this Offer Document (and any Additional Shares) must be made on the Entitlement and Acceptance Form which accompanies this Offer Document, in accordance with the instructions referred to in this Offer Document and on the Entitlement and Acceptance Form. Please read the instructions carefully.

**If you are using the BPay facility as per the instruction on the Entitlement and Acceptance form you do not need to return the form as your acceptance and details are recorded electronically.**

If you wish to pay manually, please complete the Entitlement and Acceptance Form by filling in the details in the spaces provided and attach a cheque for the amount indicated on the Entitlement and Acceptance Form.

Completed Entitlement and Acceptance Forms must be accompanied by a cheque in Australian dollars, crossed 'Not Negotiable' and made payable to 'GME Resources Limited' and lodged at any time after the issue of this Offer Document and on or before the Closing Date at GME Resources' share registry (by post) at the addresses in section 6.5.

If you take up and pay for all of your Entitlement, and any Additional Shares you have applied for before the close of the Entitlement Offer, it is expected that you will be issued New Shares on 13 June 2018. GME's decision on the number of New Shares to be issued will be final. Acceptance of any applications for Additional Shares is subject to compliance with the Corporations Act, Foreign Acquisitions and Takeovers Act 1975 (Cth) and other applicable laws.

GME also reserves the right (in its absolute discretion) to reduce the number of New Shares issued if GME believes an applicant's claim to be overstated or if an applicant or their nominees fail to provide information to substantiate their claims to GME's satisfaction.

Please also see section 2.3 and 2.5 which contain further details regarding the Additional Shares and Shortfall Shares.

### **6.2 If you wish to sell all your Entitlement on ASX**

Complete the section on the back of the accompanying Entitlement and Acceptance Form marked "Instructions to Your Broker" and lodge the Form with your Stockbroker.

Entitlement trading on the ASX commences on 10 May 2018 and the sale of your Entitlement must be completed by the close of trading on the ASX on 29 May 2018 when Entitlement trading ceases.

### **6.3 If you wish to take up part of your Entitlement and sell the balance of your Entitlement on the ASX**

Complete the accompanying Entitlement and Acceptance Form for that part of your entitlement that you wish to accept, and also complete the section on the back of the Form marked "Instructions to your Stockbroker" for the balance of the Entitlement that you wish to sell on the ASX. Lodge the completed Entitlement and Acceptance Form with your stockbroker, together with your payment for the amount due in respect of the entitlement you intend to take up (being the number of New Shares which you wish to accept multiplied by \$0.11).

Entitlement trading commences on the ASX on 10 May 2018 and the sale of your Entitlement must be completed by the close of trading on the ASX on 29 May 2018, when Entitlement trading ceases.

### **6.4 If you wish to transfer all or part of your Entitlement to another person other than on the ASX**

Forward a completed standard renunciation form(s) (obtainable from your stockbroker or from the share registry) together with your Entitlement and Acceptance Form completed by both the transferor and transferee and the transferee's payment for the amount due in respect of the entitlement to be taken up by the transferee (being the number of New Shares taken up by the transferee multiplied by \$0.11) to the share registry so that it is received by the share registry no later than 5.00pm WST on 29 May 2018. The addresses of the share registry are:

by mail to:           Computershare Investor Services Pty Ltd  
                          GPO Box 52  
                          Melbourne, Victoria 3001

or by courier to:     Computershare Investor Services Pty Ltd  
                            452 Johnson Street  
                            Abbotsford VIC 3067

#### **6.5 If you wish to take up part of your Entitlement only**

Should you wish to only take up part of your Entitlement, then applications for New Shares under this offer must be made on the Entitlement and Acceptance Form which accompanies this document in accordance with the instructions referred to in this document and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Please complete the Entitlement and Acceptance Form by filling in the details in the spaces provided, including the number of New Shares you wish to accept and the amount payable (calculated at \$0.11 per New Share accepted), and attach a cheque for the appropriate Application Monies.

Completed Entitlement and Acceptance Forms must be accompanied by a cheque in Australian dollars, crossed "Not Negotiable" and made payable to "GME Resources Limited Share Issue Account" and lodged at any time after the issue of this offer document and on or before the Closing Date at the Company's share registry (by delivery or by post) at:

By courier	Computershare Investor Services Pty Ltd 452 Johnson Street Abbotsford VIC 3067
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By Post	Computershare Investor Services Pty Ltd GPO Box 505 Melbourne VIC 3001
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**If you are using the BPay facility as per the instruction on the Entitlement and Acceptance form you do not need to return the form as your acceptance and details are recorded electronically. You simply BPay the amount corresponding to the number of New Shares you wish to accept.**

#### **6.6 Entitlements not taken up**

If you do not wish to accept any of your Entitlement, you are not obliged to do anything. In that case, New Shares not accepted by the Closing Date will become Shortfall Securities and you will receive no benefit.