467 Canning Highway
Como
Western Australia 6152

Postal: Post Office Box 920
CANNING BRIDGE WA 6953

Phone: (618) 93132144
Fax: (618) 93132188

Email: enq@gmeresources.com.au
www.gmeresources.com.au

ASX Announcement – 23 October 2009

The Companies Announcement Office
ASX Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Dears Sirs,

NOTICE OF ANNUAL GENERAL MEETING AND 2009 ANNUAL REPORT

Please see attached the following documents for immediate release to ASX and lodgement with ASIC:

- Notice of Annual General Meeting and Proxy form
- The 2009 Annual Report incorporating the Audited Financial Statements for GME Resources Limited and its Controlled Entities for the Year ended 30 June 2009.

Yours sincerely

Mark Pitts
Company Secretary



Annual Report 2009

GME RESOURCES LIMITED

GME Resources Limited ABN 62 009 260 315

CONTENTS

CORPORATE DIRECTORY

DIRECTORS

Chairman
Michael Delaney PERROTT AM B.Com

Managing Director
David John VARCOE B.Mining Engineering (Hons), M.AusIMM

Executive Director
James Noel SULLIVAN FAICD

Director
Peter Ross SULLIVAN BE, MBA

Director
Geoffrey Mayfield MOTTERAM B.MetE(Hons), M.AusIMM

COMPANY SECRETARY

Mark Edward PITTS B.Bus, C.A.

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

467 Canning Highway
Como WA 6152
PO Box 920
Applecross WA 6953
Telephone: (08) 9313 2144
Facsimile: (08) 9313 2188
E-Mail: enq@gmeresources.com.au
Web Site: www.gmeresources.com.au

AUDITORS

HLB Mann Judd
Chartered Accountants
15 Rheola Street
West Perth WA 6005

SHARE REGISTRY

Computershare Registry Services Pty Ltd
Level 2, Reserve Bank Building
45 St George's Terrace
Perth WA 6000
GPO Box D182
Perth WA 6001
Telephone: (08) 9323 2000
Facsimile: (08) 9323 2033

STOCK EXCHANGE LISTING

The Company's shares are quoted on the Official List of Australian Securities Exchange Limited

TICKER CODE

GME

STATE OF REGISTRATION

Western Australia

CHAIRMAN'S LETTER

Dear Shareholder

Your company and Directors remain strongly supportive of the NiWest project and believe that the significant resource the company has will, in time, support a world class project.

Because of this it has been most interesting during the past year to be a junior mining company with a project in its infancy. At the commencement of the year, nickel prices fell but in the latter part of the year as world economies recovered, so too did commodity prices including nickel.

It seems appropriate for us to recap on what we have achieved to date as a company with our nickel assets. They could be set out as follows:

- Completed the pre-feasibility study into the project
- Have an independent report detailing the quality of the geological resource
- Identified the optimum project size producing 35,000 tonnes of nickel metal per annum.
- Located a water resource for the project
- Have advanced concepts on the optimisation of the process flow sheet
- Registered two patents re innovative steps in the process
- One of the patented innovations has the potential to significantly reduce the acid requirement of the heap leach to levels currently achieved by the High Pressure Acid Leach process
- Acknowledge the company owns 100% of the tenements that contain over 1 million tonnes of nickel – this places our company as one of the best nickel projects in Australia
- In August 2009, completed a rights issue successfully raising approximately $1,050,000

Based on the above, we believe the company is in good shape.

During the year we undertook drilling in a number of the deposits to assist in being able to make the statements above. At the same time, we decided to stop the feasibility study pending a review of nickel and financial markets but did so in a logical manner, allowing us to restart the process as appropriate when the metal and financial markets return.

Although the above is most encouraging, your Board continues to believe the best option for development is with a major partner and the most likely partner will also take a significant off take as part of any deal. To this end, the company held discussions with various parties to jointly develop the project . Proposals were received however, in the opinion of the Board, failed to reflect the true value of the project nor were they sufficiently well developed that they could be presented to shareholders.

We remain confident of the fundamentals of the nickel market and the likelihood of a strong recovery, driven by demand and the phenomenal pace of economic growth from the developing Asian countries. This demand will ultimately support growth in the nickel market which will support quality laterite projects and your company has such a project.

I'd like to thank my fellow Board members for their strong involvement in the management of the company and the development of the project. In particular, our Managing Director Dave Varcoe for his continued diligence attending to the needs of the company.

We look forward to seeing you at our Annual General Meeting.

Yours faithfully

MICHAEL PERROTT AM
Chairman

REVIEW OF OPERATIONS

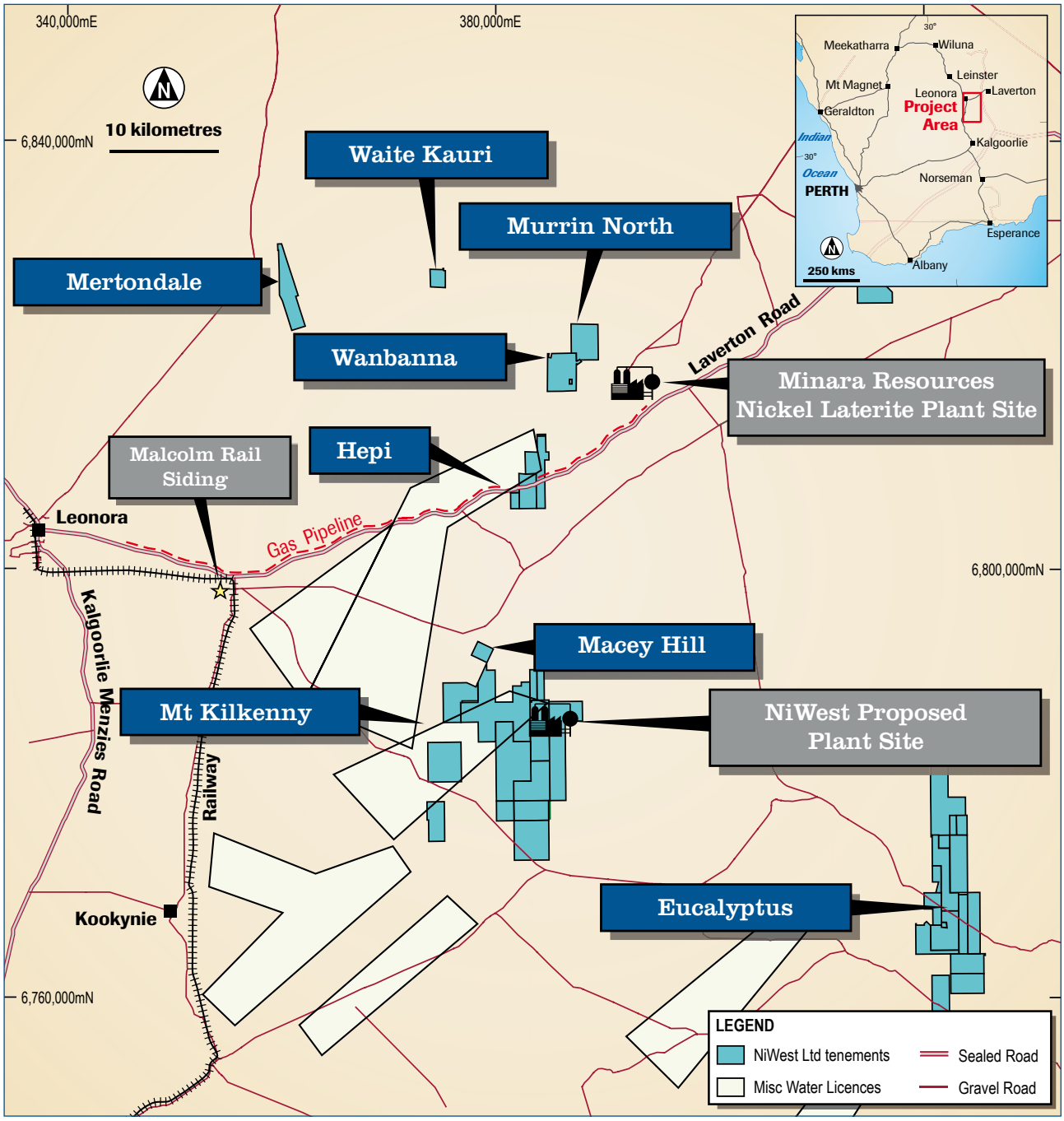

Figure 1. Tenement Location Map.

NiWest Nickel Laterite Heap Leach Project

Over the reporting period the Company continued to develop and investigate options for the NiWest Nickel Laterite Heap Leach Project. This is potentially a world class project due to its size, location and amenability to simple heap leaching.

In 2007 the Company completed a pre-feasibility study (PFS), produced by independent Engineering Consultants Aker Kvaerner, which demonstrated the project was technically feasible and economically very attractive. During 2008 the scale of the project was reviewed and as has been previously reported - the optimum size was determined to be 3.5 million tonnes per annum (Mtpa) of ore stacked and leached, producing between 30,000 and 35,000 tonnes of nickel metal per annum. This represents a significant increase on the production capacity envisaged by the PFS.

The Company is now part way through a Feasibility Study (FS) however the major expenditure items in the study have been

suspended following the global financial crisis late in 2008. At this time financial markets closed down and metal prices fell sharply. We are pleased to note a recovery in metal prices through the second quarter of 2009 and a more positive outlook for commodities. The project will remain suspended in the short term allowing the Company time to continue to review the markets and options for further funding and development.

The Company and your directors remain confident that this high quality and well located resource will be developed to its full potential.

The NiWest Nickel Laterite Project comprises seven separate project areas in the Murrin Murrin region of the North Eastern Goldfields of Western Australia. Located on granted mining leases, total resources of 112 million tonnes averaging 0.95% nickel and 0.07% Cobalt (0.7%Ni cut off grade) have been defined through extensive systematic drilling programs. The contained nickel metal is over 1 million tonnes. To put this figure in to perspective it is a similar quantity of nickel to the total production from the Kambalda Dome which has been in production since the 1960's.

The area is well suited to Heap Leach processing being located in low rainfall, semi desert environment that is sparsely vegetated and generally flat open country. The area is well serviced with infrastructure such as railway linked to deep water ports, bitumen road, and gas pipeline and is in close proximity to the township of Leonora.

Pre Feasibility Study (PFS)

The Company has previously announced the results of the pre-feasibility study into the technical and economic merits of the application of heap leach technology to the NiWest Project. This work commenced in October 2006 and was completed in 2007. The work was undertaken by internationally recognised engineering consultants Aker Kvaerner.

Heap Leaching of Nickel Laterites is similar to traditional gold and copper heap leach processing where ore is mined, agglomerated and stacked in piles or heaps. The piles are irrigated with sulphuric acid that percolates through the ore piles dissolving the contained metals. The pregnant solution is then processed to recover the dissolved metals.

A financial model produced for the project using the established resources, capital estimates and operating costs generated from the PFS supports an economically robust project. Capital costs for the 1 Mtpa facilities were estimated at $455 million.

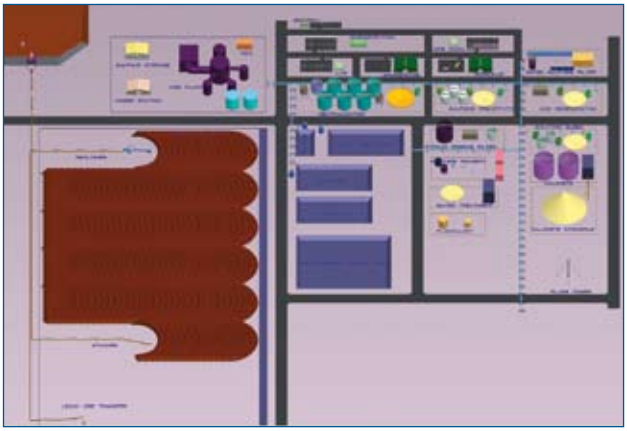

Figure 2. Conceptual Plant layout

Operating cost estimates in the PFS were US$3.30/lb Nickel after cobalt credits operating costs fall to US$2.37/lb Nickel.

Feasibility Study

In 2008 the Company appointed Simulus to complete the process engineering design for the Feasibility Study on the NiWest project. Simulus is a Perth based process engineering company, which specialises in metallurgical consulting, focusing on the fields of hydrometallurgy and nickel processing.

During the year a significant amount of work was dedicated to ensure the heap leach flowsheet was optimised and robust from a capital and operating viewpoint. Feasibility level work was completed which included:

- Process Design Criteria;
- Process Mass and Energy Balance;
- Process Flow Diagrams (PFD);
- Engineering general specifications;
- Engineering design criteria (Mechanical, Piping, Electrical and Instrumentation and control);
- Standard P&ID arrangements for top 80% equipment types;
- Mechanical equipment specifications for 80% of equipment types;
- 3D modelling of standard arrangements for top 80% equipment types;
- Engineering Risk Assessment.
- Continuous capital and operating cost reviews (incomplete)

Included in this work were studies that assessed different flow sheet options for process efficiency, optimised reagent and water consumption and operating cost.

REVIEW OF OPERATIONS

A number of acid regeneration flow sheet options were assessed. The preferred option is to locate the acid regeneration on the intermediate heap leach liquor stream. The acid regeneration potentially reduces the normal heap leach acid consumption by some 25 – 35% and approaches acid consumption of HPAL circuits.

Metallurgical Test Work

Metallurgical test work completed during the year at SGS in Perth, includes:

- An additional 6 leach tests of 6 month duration using 4m columns of ore blends from Mount Kilkenny, Hepi and Eucalyptus drill core samples were completed. These tests were designed to explore the impact of acid concentrations in feed and PLS on ore recovery and also trialled an innovative ore pre-treatment step. The results were promising with good percolation and recovery of nickel was generally above 70%. Column slump was again minimal which is an important measure for the success of the Heap process.
- All results have been very positive and support large scale heap leaching of the ore. The results are tabulated above in Table 1 and Figure 3.
- Bottle roll tests were completed over a period of up to a month to determine if a correlation could be found between this and the longer column testing.
- Options for downstream precipitation of an intermediate Mixed Sulphide product from heap leach liquors included:
  - Use of bio-sulphide source of hydrogen sulphide (H_2S) was assessed. Low Concentration H_2S gas tests were completed. While successful, preliminary assessment indicates results not as effective as normal concentration H_2S gas.

4 Metre Column Tests	Number Days	Extraction % Ni	Extraction % Co	Column Head Grade
Hepi #1	120	82.6	99.1	1.74
Mt Kilkenny North #1	120	80.5	98.7	1.29
Mt Kilkenny Central #1	120	78.8	86.0	1.37
Mt Kilkenny North #2	120	81.3	89.1	1.12
Eucalyptus Central	120	77.1	40.6	1.25
Eucalyptus North	120	69.4	46.4	1.14
Eucalyptus Camel Back	120	79.4	35.5	1.35
Hepi #2	120	67.1	38.1	1.98
Hepi #3	120	66.2	36.7	1.98
Mt Kilkenny	137	59.6	22.1	1.10

Table 1. Four metre column results.

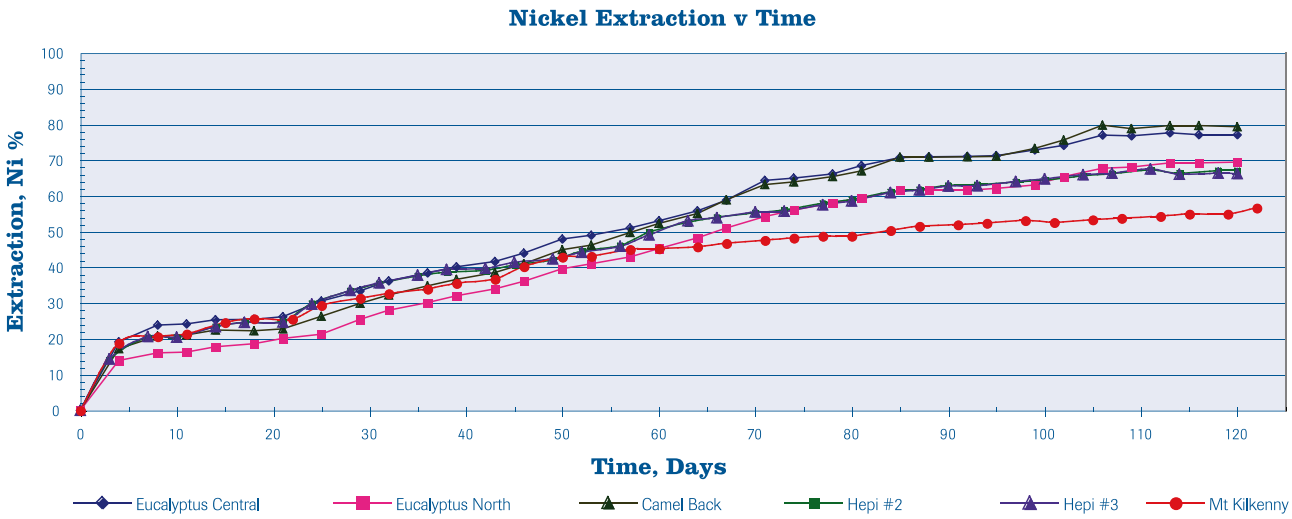

Figure 3. Preliminary extraction results for the second set of columns.

- Traditional Sodium hydrosulphide (NaHS) precipitation tests were completed including pre-reduction (NaHS) and neutralisation. Test results confirm the design assumptions made and that H_2S gas is a preferred method of precipitation.

- Acid regeneration tests were completed to confirm the process for the patents submitted by the Company. This process involved high pressure and temperature hydrolytic iron precipitation.
- Physical material property tests were completed with both ore and leach residue material to provide materials handling properties necessary for the design criteria and equipment selection.
- Golder Associates undertook further geotechnical testing of leach residues from the column tests confirming the stacked ore properties determined in earlier testing. Heights of at least 4m for heaps, and up to 8m, are possible for the ore types tested.

Patent Applications

In 2009 GME Resources submitted two Australian patent applications related to the GME Nickel Heap Leach and Downstream Processes.

- Acid Regeneration – This process is designed to reduce acid consumption by regenerating some of the acid and re-using the acid on the heap leach. A high temperature, high pressure process that causes the hydrolytic precipitation of iron is employed to enable some sulphuric acid to be returned to the heap leach.
- Ore preparation conditioning (pelletising) – This patent describes a method for conditioning the ore to improve the nickel recovery and stability of the heap. Based upon the laboratory column leach tests, percolation and permeability supported by both Golder Associates and SGS tests on the ore from GME tenements.

Geological Resource Base

The Company has engaged independent consultants Ravensgate Minerals Industry Consultants (Ravensgate) as its resource managers and geologists. Ravensgate developed Krigged resource models for the major project areas that make up the NiWest resource base. These resource models are the product of industry best practice for geological modelling which provides greater confidence for the project. The work incorporates the most recent drilling and mapping.

The geological resource summary is shown below. A global resource is reported at a 0.7%Ni cut-off based on a combination of the Krigged resource models constructed by Ravensgate for the Hepi, Mt Kilkenny and Eucalyptus areas as well as in-house polygonal resource estimates for satellite deposit areas (Table 2, 3 and 4).

At a production rate of 3.5Mtpa the measured and indicated resource in Table 3 supports a mine life of 10 years with another 5 years based on the inferred ore. The Company will continue to develop its 0.8% cut-off resource base to support a long life operation. The 1% cut-off table demonstrates the availability of higher grade ore zones which demonstrate the potential to further enhance the project with higher grade plant feed.

0.7% Cut Off	CATEGORY	Tonnes (Millions)	Ni %	Co %	Ni Metal	Co Metal	%
	Measured	27.18	0.98	0.06	266,198	17,023	24%
	Indicated	29.07	0.94	0.06	274,699	17,785	26%
	Inferred	56.01	0.93	0.07	521,395	40,719	50%
Total		112.26	0.95	0.07	1,062,292	75,527	100%

Table 2. Global Resource at 0.7% Nickel cut-off incorporating both Polygonal and Krigged resource models.

0.8% Cut Off	Tonnes (Millions)	Ni %	Co %	%
Measured	19.70	1.049	0.068	36%
Indicated	17.39	1.001	0.066	32%
Inferred	17.73	0.959	0.062	32%
Total	54.82	1.004	0.066	100%

Table 3. Krigged resources for the main project areas at Hepi, Mt Kilkenny and Eucalyptus..

1.0% Cut Off	Tonnes (Millions)	Ni %	Co %	%
Measured	16.61	1.183	0.079	69%
Indicated	3.72	1.127	0.063	15%
Inferred	3.69	1.139	0.075	15%
Total	24.02	1.167	0.078	100%

Table 4. Krigged resources for the main project areas at Hepi, Mt Kilkenny and Eucalyptus..

REVIEW OF OPERATIONS

Further exploration on the very prospective holding of the company would significantly add to this high grade resource.

Ore Sales Options

The GME project is located within a reasonable haulage distance of three nickel refineries. Although this option is not as favourable as establishing a stand alone facility it does demonstrate the potential value of the resource. Nickel ore sales grading 1 to 2 % have and are marketed in many locations at price ranges of 5 to 10% of the contained nickel value. Results of this valuation are presented in Table 5 below:

Total Ore Zone Cut off grade (%Nickel)	Tonnes (millions) ore	Revenue based on 5% Nickel contained value
0.8%	54.82	$A 516 Million
1.0%	24.02	$A 262 Million

Table 5. Parameters: Nickel price $15000 USD/t, $A/$US 0.80.

This approach provides an alternative valuation of the world class resource at NiWest.

Hepi Starter Pit Identified

Close spaced RC Grade control drilling and mine design work have been completed for the Hepi pit for the Demonstration Trial. The grade control drilling defined a resource of 289,000 tonnes of high grade ore at 1.53% Ni (0.8 % Ni Cut-off).

The Mining proposal for the starter pit has been approved for either trail mining or possible high grade ore sales.

Water Exploration

During the reporting period the Company completed water exploration drilling targeting water resources for the larger project.

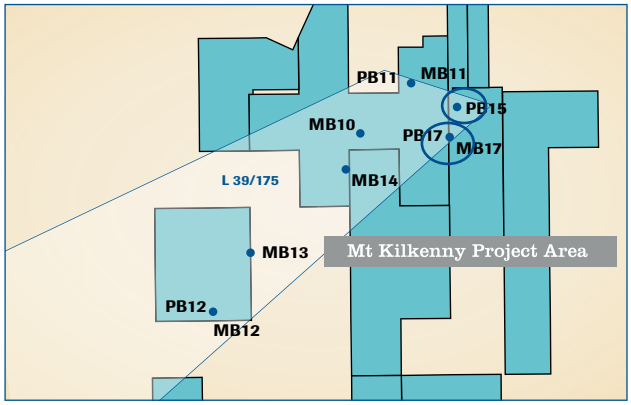

Figure 4. Location of production bores – circled, adjacent to Mt Kilkenny.

Four production bores and seven monitoring bores were drilled during the period, three of which were successful with initial flow rates for two of the bores of over 4 litres per second. Test pumping on BH15 & 17 at Kilkenny indicated that significant water should be available from this area, with modelling by Coffey Geoscience indicating 2.0GL per year from the Kilkenny mine area. This is potentially 25% of the water requirements for the project.

This work is part of a drill program consisting of ten test bores on GME tenements close to the proposed plant site at Mt Kilkenny. The Company has been granted a 2.0GL per year water license based on this drilling.

Environmental Studies

During September 2008 a Spring vegetation survey over an area of 12,000 hectares was undertaken covering the project at Eucalyptus and Kilkenny. The work was undertaken by Dr Paul Armstrong. The survey was part of the Companies ongoing monitoring of the area and builds on the initial survey undertaken in 2007. No declared rare flora were found. A number of species of interest were found including: *Hybanthus floribundus subsp chloroxanthus*, *Acacia calcarata*, *Acacia quinii* and *Grevillea acuaria*. These populations will be monitored and managed under the Environmental Management plan to be developed for each site. No threatened ecological communities or priority ecological communities were found at either of the project sites.

The Hepi prospect was further surveyed to determine the status of significant flora on site.

An aerial survey was undertaken to search for further populations of the significant flora species *Cratystylis centralis* on similar geology to the Hepi prospect.

Research was undertaken by Kings Park on the significant species *Cratystylis centralis*. This work included detailed research encompassing five broad areas; (i) seed and seed bank ecology, (ii) reproductive ecology, (iii) conservation genetics, (iv) population demography, and (v) ex-situ conservation.

The 47 Hectare Hepi Trial site for mining and processing has been approved at all levels and operations may commence as required.

Capital Raising August 2009

The Company undertook a Non-renounceable entitlement issue in August 2009. A total of 21,114,494 new shares were offered to shareholders on the basis of 1 new share for every 12 held. The issue closed with a very pleasing level of acceptances

at 71%. In addition Directors have placed the shortfall. The issue raised $1.06m, with funds to be used to meet expenditure commitments and to allow the Company to continue to pursue investment opportunities.

Nickel Market Fundamentals

During the year the nickel market suffered a major correction followed by a recovery as shown in Figure 5. The metal price was driven down by a total lack of confidence resulting from the Global Financial Crisis which saw a drop in orders of most manufactured goods and destocking at all levels of the supply chain. Conversely as markets began to recover in the second quarter of 2009 seeing Nickel metal prices quickly recovered to in excess of $US9.00 per pound as concern at the ability of the supply side to respond to any increase in demand on top of industrial action at major Canadian operations. We believe that the price response underlines long term demand strength for the nickel market and provide confidence for the next generation of suppliers. The next generation of suppliers, which we plan to be part of, is strongly biased to laterite producers

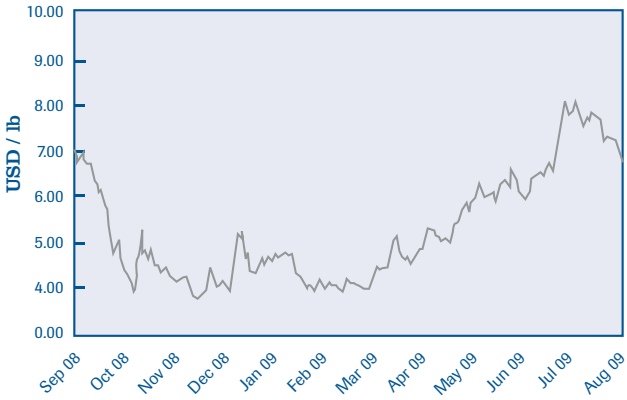

Figure 5. Historical nickel prices $US/lb

with quality resources in favourable mining locations. GME is well positioned to be part of the next upswing in demand and prices.

Regional Mining Concept

Figure 6 below shows how a mining concept for the NiWest project incorporating the different resources available for

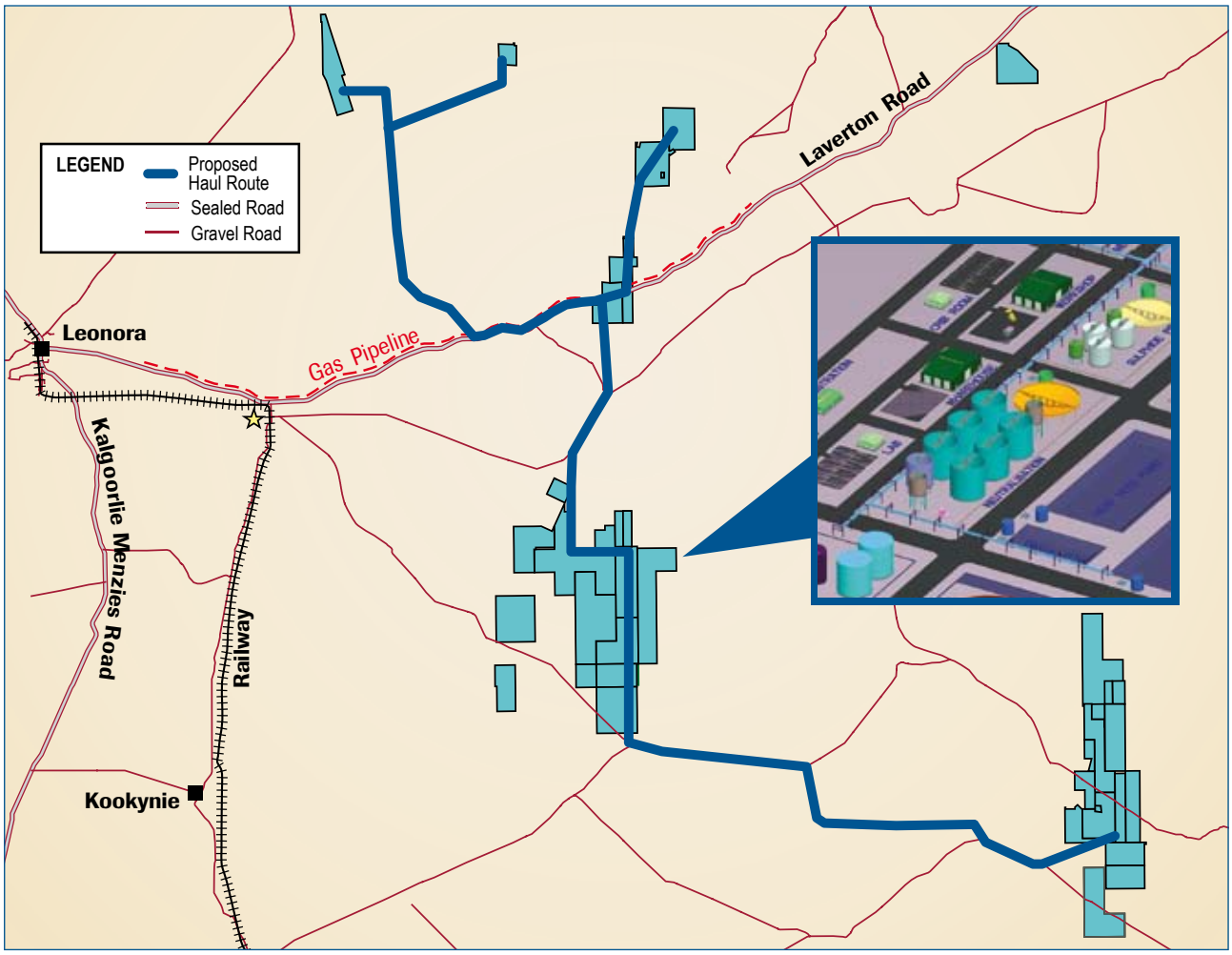

Figure 6. Regional Mining Concept for the NiWest operation.

REVIEW OF OPERATIONS

blending and grade control might be developed. Haul roads will be developed linking the major mining areas. Bore fields will be developed from the proposed plant site at Mt Kilkenny to identified water sources. Reagents will be delivered by road and rail and gas is sourced from the Goldfields Gas Pipeline that passes across the project.

Exploration Activities

Over the year the Company has completed two reverse circulation drilling programs. RC drilling took place at Wanbanna and Mertondale.

Rock chip sampling was undertaken at the Fairfield prospect, part of the Laverton Downs Project.

The following section provides an overview of the resource drilling work that was completed.

Drilling statistics for 2008-2009 are shown in Table 6.

Project	Tenement	RC Metres	RC Holes	Water Drilling (metres)	Water Bores
Hepi (Wanbanna)	M39/460	2,986	49		
Mertondale	M37/591	265	8		
Mount Kilkenny	E39/1108			293	3
Mount Kilkenny	E39/990			203	3
Total		3,251	57	496	6

Table 6. Drilling statistics for 2008-2009.

Project Areas

Hepi (Includes Wanbanna and Murrin North)

Lease_ID	Area
M39/460	945HA
M39/717	523HA
M39/718	781HA
M39/758	811HA
M39/819	121HA
P39/4934	121HA
P39/4999	199HA
P39/5000	141HA

Total Area 3642 Hectares
Total metres of drilling 13,760 m

P39/4934 was granted in February 2009 and P39/4999 and P39/5000 were applied for during the year.

Exploration work took place at the Wanbanna Prospect during the year.

Figure 7 shows the Hepi leases with the extensive ultramafic (nickel laterite host rock) and the high grade resource areas. Figure 8 shows a cross section through a zone at the south end of Hepi.

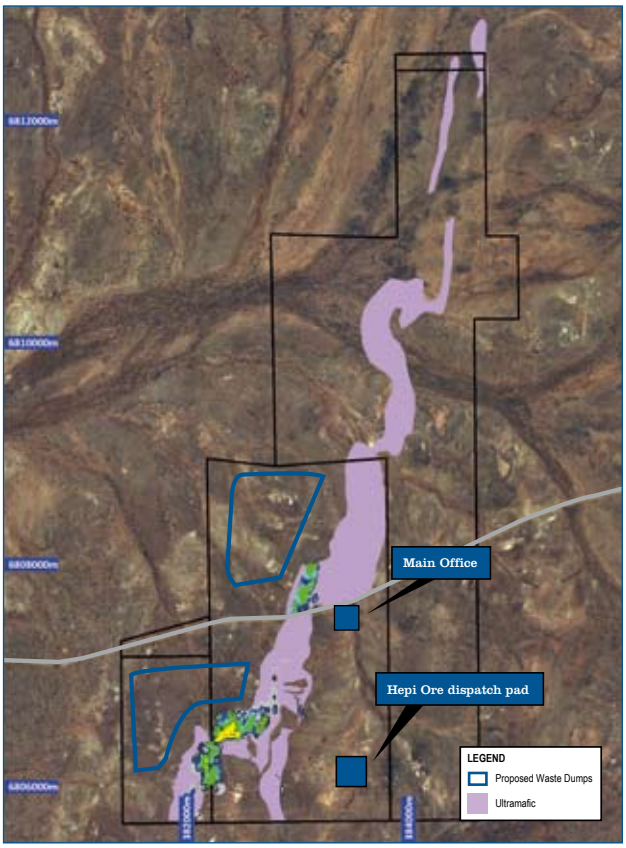

Figure 7. Hepi project area.

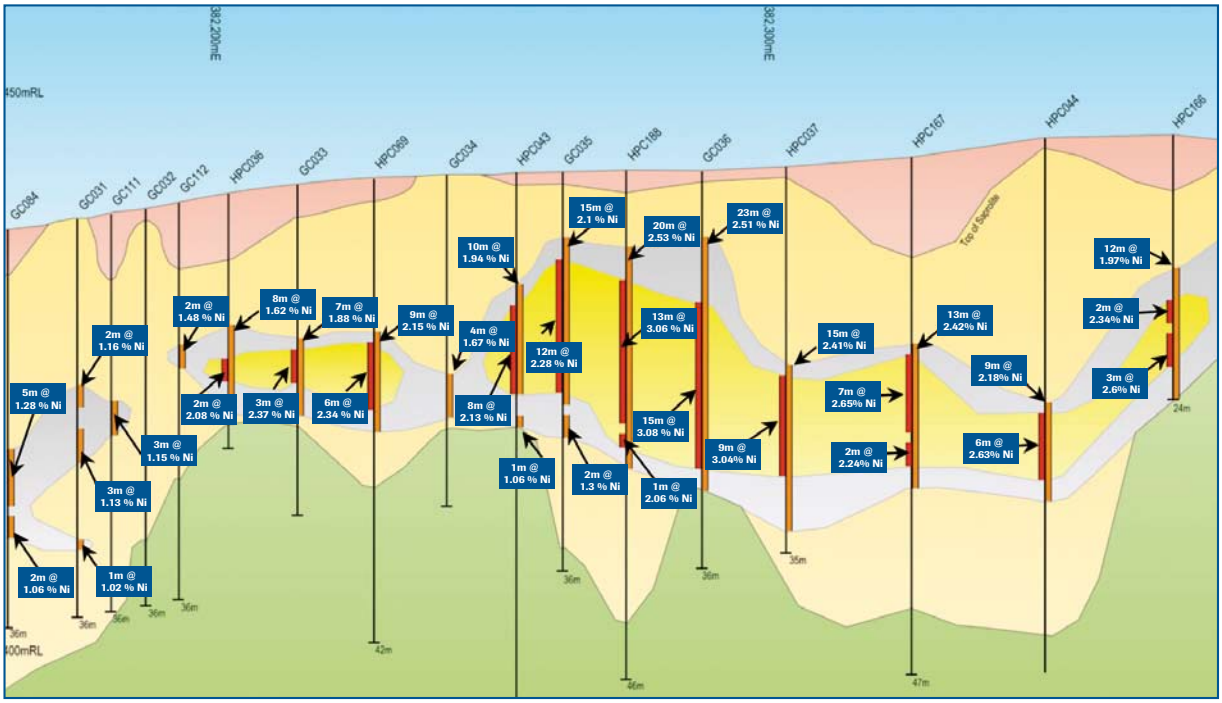

Figure 8. Hepi Grade Control section 6,806,550 North.

Wanbanna

M39/460 is located approximately 5 kilometres west of the Murrin Murrin Nickel refinery.

The Wanbanna prospect area contains a significant inferred nickel laterite resource and is considered to be highly strategic as it abuts the Company's Murrin North project and provides a material increase in the overall resources held in the NiWest Nickel Laterite project.

The following table shows the inferred polygonal resource estimates, calculated at various nickel cut off grades from the existing wide spaced air core drilling completed at the project. An updated resource is being calculated incorporating the latest drill results.

Ni Cut Off Grade	Million Tonnes	%Ni	%Co
0.70%	14.9	1.00	0.07
1.00%	5.5	1.28	0.10
1.20%	3.0	1.41	0.11

Table 7. Wanbanna Prospect inferred polygonal resource statement.

During the period June to July 2008 the Company completed resource drilling at the Wanbanna Prospect. A total of 11,000 metres of drilling has now taken place with resource modelling currently underway.

Significant results received during the year are tabulated below; these intercepts are based on a 0.7 % Ni lower cut with a maximum of 2m of internal waste. The deposits is hosted within the laterite developed from weathered Archaean serpentinised-peridotite rocks.

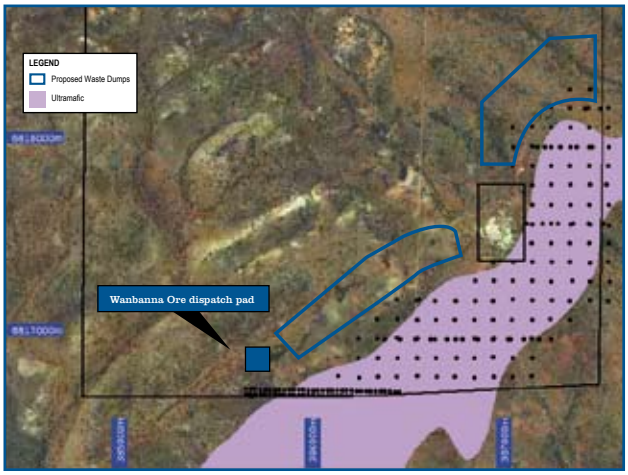

Figure 9. Wanbanna project area.

REVIEW OF OPERATIONS

Hole_ID	Easting	Northing	From	To	Ni % Intercept
WNC013	387500	6818001	26	40	14m @ 1.18 %
WNC015	387299	6818000	21	39	18m @ 1.29 %
WNC020	387401	6817901	33	49	16m @ 1.19 %
WNC027	387302	6817805	25	44	19m @ 1.49 %
WNC028	387201	6817804	27	37	10m @ 1.42 %
WNC030	387499	6817701	35	49	14m @ 1.27 %
WNC031	387401	6817699	28	43	15m @ 1.11 %
WNC033	387198	6817698	24	37	13m @ 1.17 %
WNC036	387403	6817598	22	42	20m @ 1.25 %
WNC039	387101	6817598	24	39	15m @ 1.28 %
WNC044	387097	6817500	24	42	18m @ 1.52 %
WNC047	387299	6817399	24	36	12m @ 1.24 %
WNC049	387101	6817403	26	40	14m @ 1.17 %
WNC053	387402	6817301	33	41	8m @ 1.19 %
WNC054	387309	6817303	26	39	13m @ 1.18 %
WNC056	387101	6817303	25	38	13m @ 1.28 %
WNC064	387101	6817201	24	32	8m @ 1.13 %
WNC073	387101	6817098	22	28	6m @ 1.22 %
WNC079	386502	6817099	32	45	13m @ 1.20 %
WNC081	387095	6817004	24	29	5m @ 1.14 %
WNC085	386701	6816998	21	35	14m @ 1.17 %
WNC103	386301	6816801	22	29	7m @ 1.10 %

Table 8. Wanbanna significant drill results.

Murrin North

M39/758 is located adjacent to Wanbanna and Hepi resources. A total of 9,200 metres of drilling has taken place at Murrin North, the resource is tabulated below.

0.7% Cut Off	Tonnes (Millions)	Ni %	Co %
Indicated	4.49	1.048	0.067
Inferred	3.74	1.016	0.102
Total	8.23	1.033	0.083

Table 9. Murrin North polygonal resource.

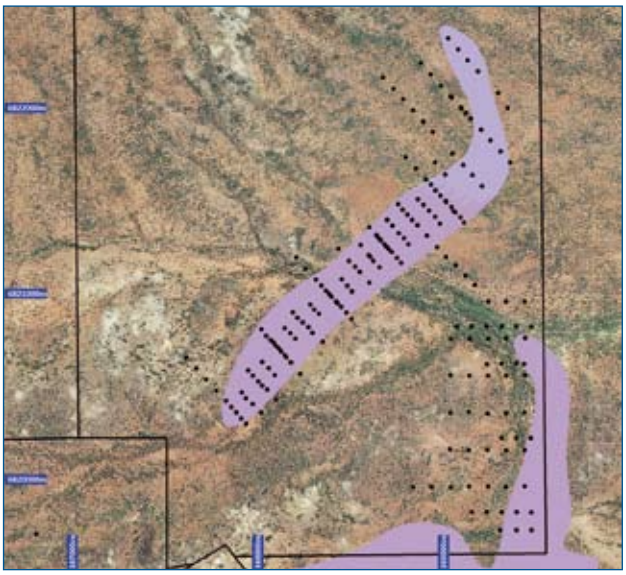

Figure 10. Murrin North tenement showing the Ultramafic and drill locations.

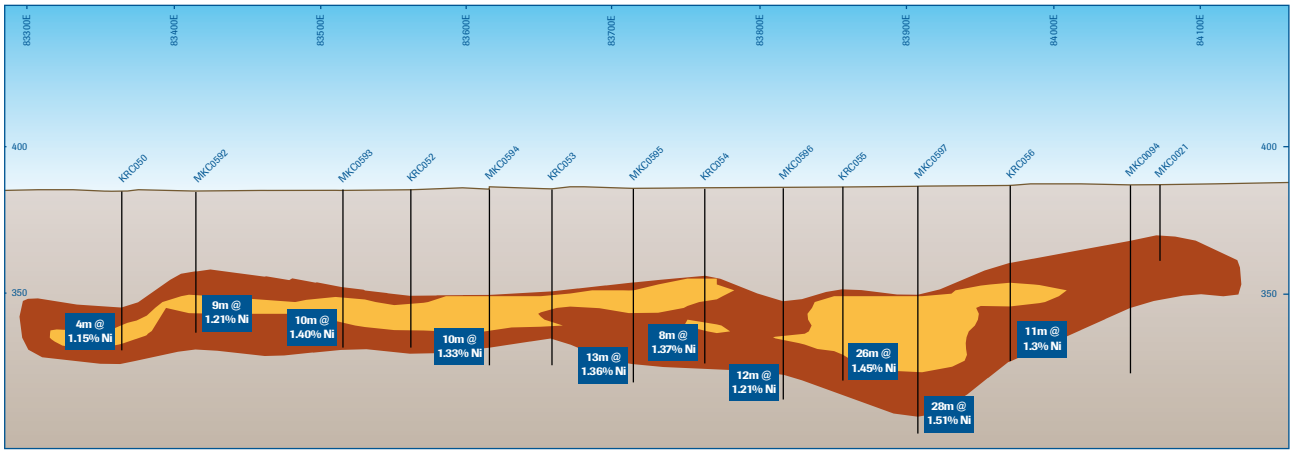

Figure 11. Mount Kilkenny Cross Section 6,786,650 N. Shows 1% Ni envelope (Yellow) and 0.8%Ni (Red)

Mount Kilkenny

Lease_ID	Area
E37/878	901HA
E39/1107	3171HA
E39/1108	1722HA
E39/1266	1807HA
E39/1267	600HA
E39/688	3301HA
E39/990	2537HA
M39/845	227HA
M39/878	1000HA
M39/879	953HA
P39/4571	186HA
P39/4827	194HA

Total Area 16,599 Hectares
Total metres of drilling 34,300 m

E37/878, E39/1266, E39/1267, and P39/4571 were granted during the year. E39/990 had an 'extension of term' granted for two years on the 10th February 2009.

Exploration for water was undertaken during the year and details are included in the section 'Water Exploration'.

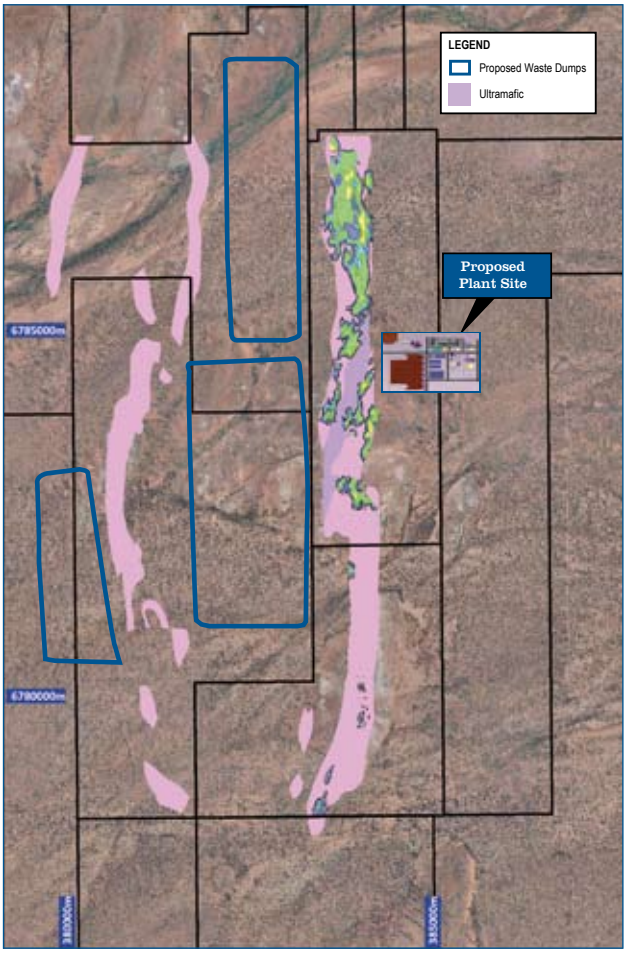

Figure 12. Mount Kilkenny project area.

REVIEW OF OPERATIONS

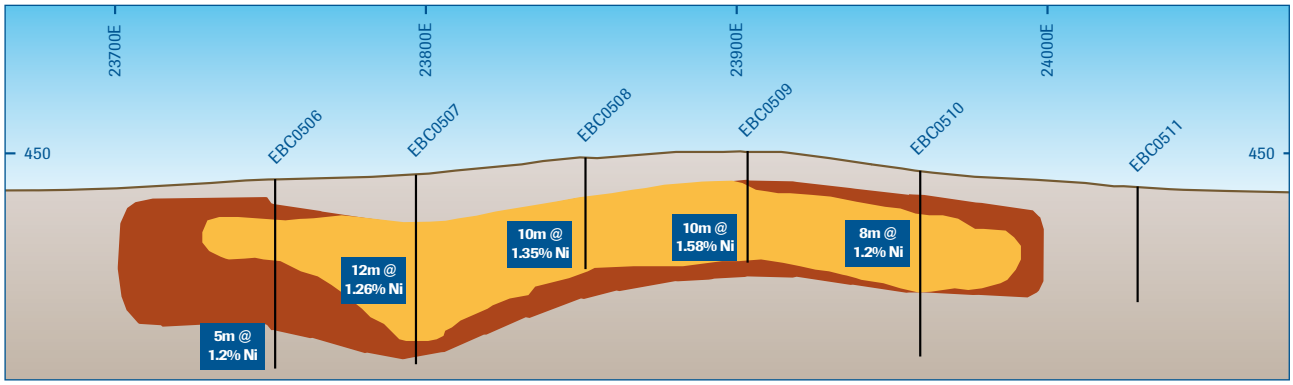

Figure 13. Eucalyptus cross section 6,766,600 N. Shows 1% Ni envelope (Yellow) and 0.8%Ni (Red)

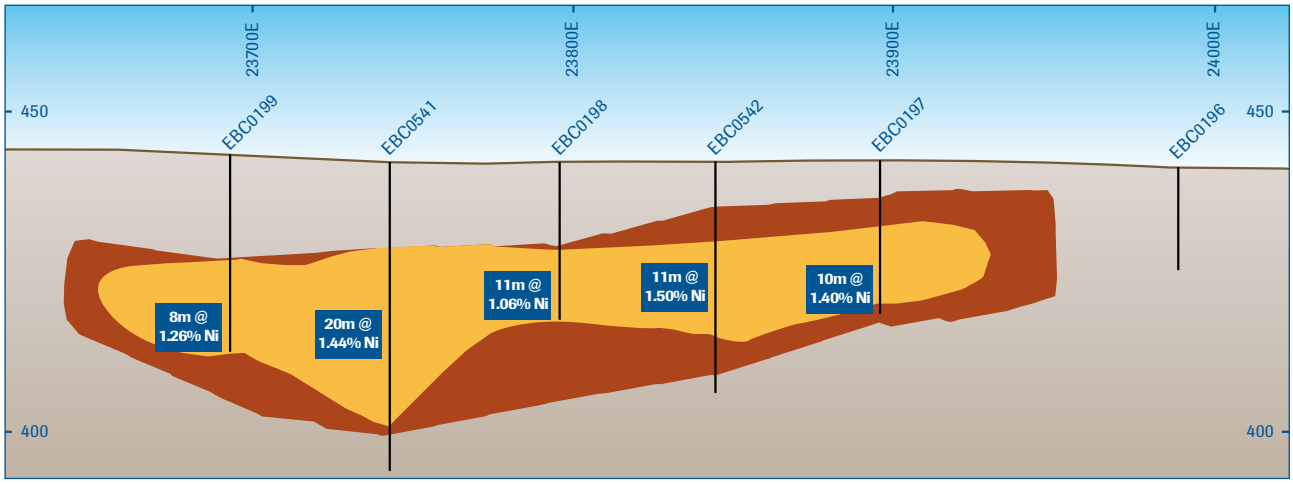

Figure 14. Eucalyptus cross section 6,765,700 N. Shows 1% Ni envelope (Yellow) and 0.8%Ni (Red)

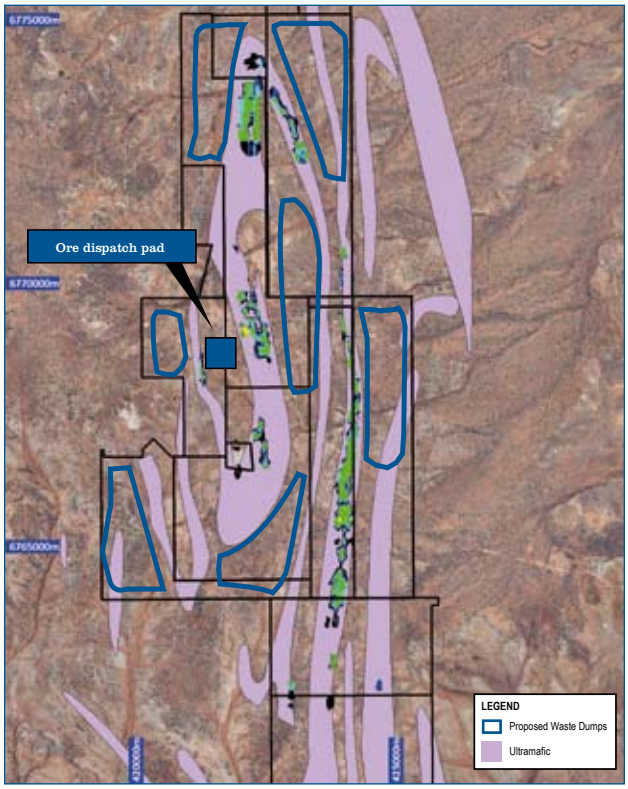

Figure 15. Eucalyptus project area.

Eucalyptus

Lease_ID	Area
M39/289	24HA
M39/313	823HA
M39/344	364HA
M39/430	159HA
M39/568	128HA
M39/570	185HA
M39/616	114HA
M39/665	485HA
M39/666	803HA
M39/674	463HA
M39/744	654HA
M39/802	870HA
M39/803	575HA
M39/804	573HA
E39/1419	4 Blocks

Total Area 7519 Hectares
Total metres of drilling 34,400 m

E39/1419 was applied for during the year.

There was no exploration work on the Eucalyptus project during the year. Geological fact mapping and aeromagnetic interpretation is planned for the near future along with infill and ore body edge RC drilling programs.

Waite Kauri

Lease_ID
M37/1216

Total Area 234 Hectares
Total metres of drilling 13,400 m

No exploration work was undertaken on the Waite Kauri project during the year. Infill and ore body edge RC drilling programs are planned. The resource model is currently being revised.

Mertondale

Lease_ID
M37/591

Total Area 885 Hectares
Total metres of drilling 7,250 m

M37/591 contains a nickel laterite bearing ultramafic over eight kilometres long, with a reported inferred resource of 1.2 million tonnes at 1.24% Nickel and 0.06% Cobalt.

During the year the Company completed resource drilling at its Mertondale project. The Company expects this project area to provide a significant resource that will support the 3 main project areas.

A total of 265 metres of Reverse Circulation drilling was undertaken. Significant results tabulated below are based on a 0.8 % Ni lower cut with a maximum of 2m of internal waste. See Figure 16. The deposits is hosted within the laterite developed from weathered Achaean serpentinised- peridotite rocks.

Duck Hill

Lease_ID	Area
E31/733	1793HA

Total Area 1793 Hectares
Total metres of drilling 6,200 m

E31/733 was granted on 16th September 2008. This tenement contains a nickel laterite bearing ultramafic over six kilometres long, with a reported inferred resource of 1.5 million tonnes at 1.27% Nickel and 0.30% Cobalt.

RC infill drilling will be completed to verify and upgrade this resource in due course.

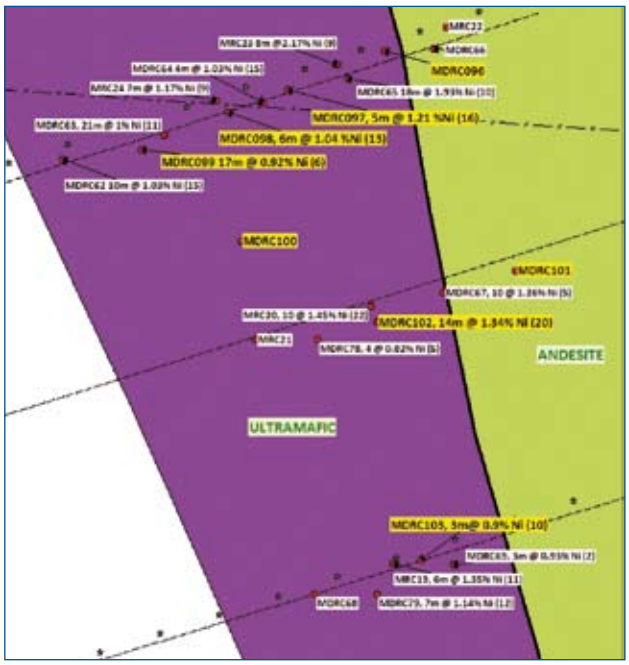

Figure 16. Mertondale drill locations and results (100 metre section line spacing)

Hole_ID	GDA94_51 E	GDA94_51 N	From (m)	To (m)	Nickel % Intercept	Co %
MDRC097	360641	6825984	16	21	5m @ 1.21 %	0.08
MDRC098	360617	6825975	13	19	6m @ 1.04 %	0.08
MDRC099	360582	6825960	6	23	17m @ 0.92 %	0.10
MDRC102	360677	6825890	20	34	14m @ 1.34 %	0.13
MDRC103	360695	6825794	1	2	1m @ 0.89 %	0.04
MDRC103	360695	6825794	10	13	3m @ 0.90 %	0.07

Table 10. Significant drill results for the Mertondale project area

REVIEW OF OPERATIONS

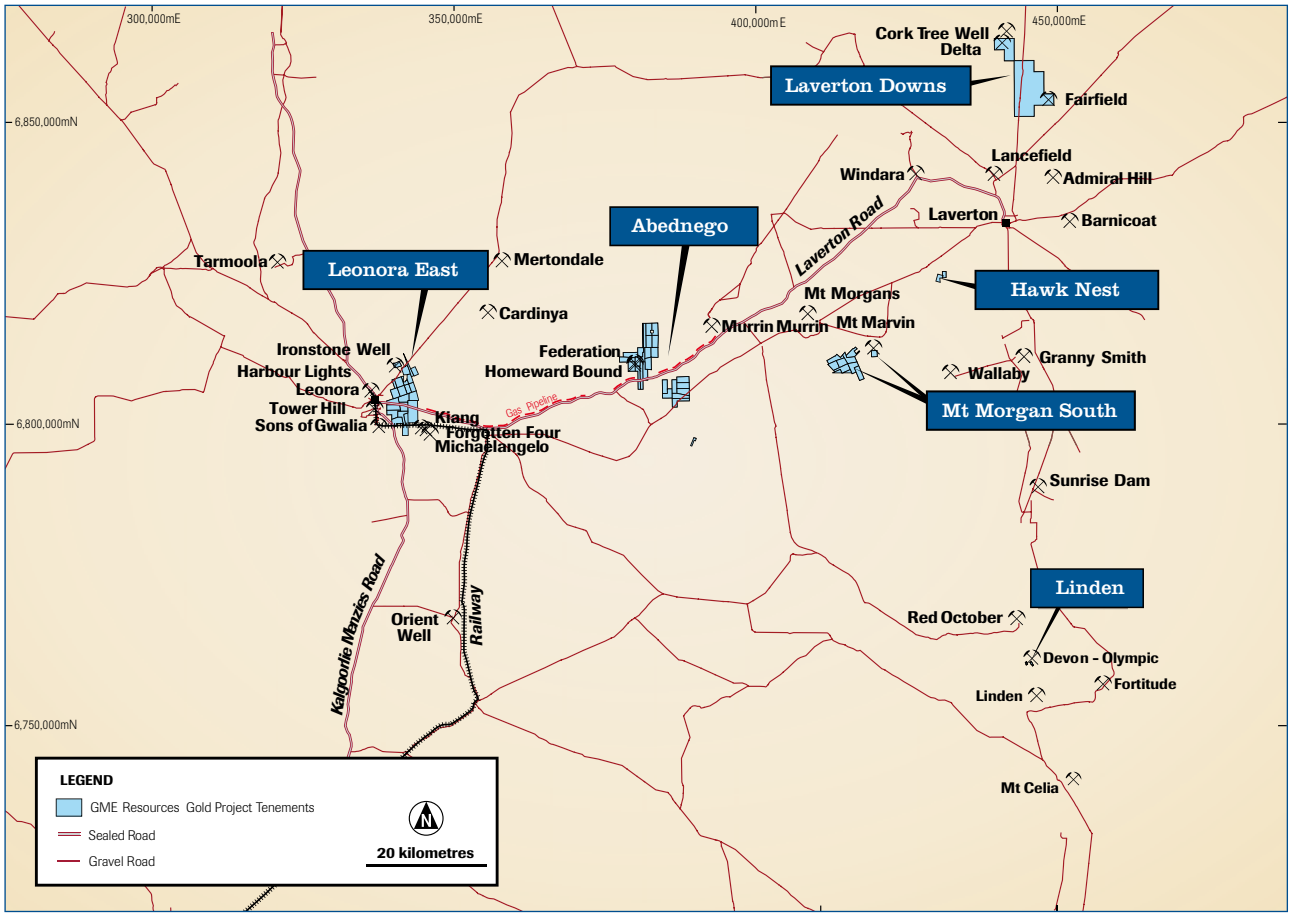

Figure 17. Gold Projects.

GOLD

Gold Assets

GME and its subsidiary Golden Cliffs NL own a number of prospective gold projects in the Leonora – Laverton region. The amount of work previously undertaken on the respective areas varies from soil sampling through to diamond drilling and resource definition.

The majority of the tenements that make up the gold assets have undergone reversion to new granted prospecting licenses. Several new tenements were applied for that either adjoined existing holdings or were considered prospective for gold or base metals. The tenements are in an area that has produced significant gold production over the last 100 years – see Figure 17.

During the reporting period the Company completed rock chip sampling at the Fairfield Prospect, Laverton Downs and conducted technical and economic reviews at Linden, Abednego and Laverton Downs.

The portfolio of tenements prospective for gold is in excess of 150 square kilometres. A number of tenements contain resource calculations that although not JORC compliant may potentially support profitable small scale mining activity for ore sales to third parties. These options as well as the option for a direct sale are currently under review.

REVIEW OF OPERATIONS

Hepi-Abednego

M 39/427 was granted on 21/05/2008. M 39/825 was granted on 22/5/2008. All the prospecting licences were granted in October, November and December 2008.

No exploration work took place during the year on the Hepi-Abednego gold tenements.

Hawk Nest

P38/3397 was granted during the year.

The Hawk Nest lease contains a small open pit, mined for supergene gold during the 1980's. The tailings and pit surrounds were rehabilitated by the Company last year. No exploration work took place during the current reporting year.

Laverton Downs

The Laverton Downs leases are prospective for both Nickel laterite and gold resources. There is over 7km of nickel laterite bearing ultramafic striking through E38/1876. The historic Fairfield gold mining centre also occurs on E38/1876.

35 rock chip samples were collected from the historic Fairfield workings during the year and assayed for gold.

Leonora East

P37/7185, P37/7279-7282 and P37/7425-7432 were granted during the year.

No exploration work took place during the year on the Leonora East gold tenements.

Linden Project

P39/4637 and P39/4638 were granted during the year replacing the mining lease applications. E39/1375 was also granted during the year.

The Linden Prospecting leases cover the historic Devon and Olympic gold mines. Residual resources are present and require further evaluation.

Mount Morgan South

The Mount Morgan South tenements are prospective for nickel and gold. The Prospecting Lease applications were granted during the year.

No exploration work has taken place on the Mount Morgan South leases during the year.

CORPORATE GOVERNANCE STATEMENT

Introduction

The Board of Directors of GME Resources Limited has adopted the following Corporate Governance Principles and is responsible for the adherence to these Principles. These Principles and Practices are reviewed regularly and upgraded or changed to reflect changes in law and what is regarded as best practice. A description of the Company's main Corporate Governance Principles and Practices is set out below.

Role of the Board

The Board has adopted the following Statement of Matters for which the Board will be responsible:

(1) Reviewing and determining the Company's strategic direction and operational policies;
(2) Review and approve business plans, budgets and forecasts and set goals for management;
(3) Appoint and remunerate Chief Executive Officer and Senior Staff;
(4) Review performance of Chief Executive Officer and Senior Staff;
(5) Review financial performance against Key Performance Indicators on a monthly basis;
(6) Approve acquisition and disposal of tenements;
(7) Approve exploration and mining programs;
(8) Approve capital, development and other large expenditures;
(9) Review risk management and compliance;
(10) Oversee the Company's control and accountability systems;
(11) Reporting to shareholders; and
(12) Ensure compliance with environmental, taxation, Corporations Act and other laws and regulations.

Managing Director

GME's most senior employee is the Managing Director who is appointed and subject to annual reviews by the Board. The Managing Director recommends policies, strategic direction and business plans for the Board's approval and is responsible for managing the Company's day-to-day business.

Board Independence

The Board consists of five directors, but up to 10 directors can serve on the board. Mr David Varcoe and Mr James Sullivan are the only executives, the remainder are non executive. Currently the five directors are:

Michael D Perrott	Chairman	63 years	Director since 1996
David J Varcoe	Managing Director	46 years	Director since 2008
James N Sullivan	Executive Director	48 years	Director since 2004
Peter R Sullivan	Director	53 years	Director since 1996
Geoffrey M Motteram	Director	60 years	Director since 1997

Mr Motteram and Mr P Sullivan are considered Independent Directors on the Board according to the definitions by the Australian Securities Exchange Corporate Governance Council ("**Council**").

The Managing Director, Mr D Varcoe is a full time executive, and Mr J Sullivan is also an executive and is also a substantial shareholder of the Company. The Chairman, Mr Perrott, is also not considered "Independent" by the definitions of the Council as he is indirectly a substantial shareholder in the Company.

As such, the Company does not comply with the Council's recommendation, Item 2.1, that the majority of the Company's directors should be Independent Directors. The Board has however adopted a series of safeguards to ensure that independent judgement is applied when considering the business of the Board:

- Directors are entitled to seek independent professional advice at the Company's expense. Prior written approval of the Chairman is required but this is not unreasonably withheld.
- Directors having a conflict of interest with an item for discussion by the Board must absent themselves from a board meeting where such item is being discussed before commencement of discussion on such topic.
- The Independent Directors confer on a "needs" basis with the Chairman with such discussion if warranted and considered necessary by the Independent Directors.
- The Board considers Non-executive Directors to be independent even if they have minor dealings with the Company provided they are not a substantial shareholder. Transactions with a value in excess of 5% of the Company's annual operating costs are considered material. A director will not be considered independent if he has transactions in excess of this materiality threshold.

TENURE OF THE BOARD

The Directors are expected to review their membership of the Board from time to time taking into account the length of service on the Board, age, qualification and experience. In light of the needs of the Company and direction of the Company together with such other criteria considered desirable for composition of a balanced board and the overall interests of the Company.

A director is expected to resign if the remaining directors recommend that a director should not continue in office, but is not obliged to do so.

CHAIRMAN

The current Chairman is Mr Michael D Perrott AM. Mr Perrott brings a wealth of business experience, connections and drive to the Board.

The Chairman's role is separated from the role of the Managing Director.

The Chairman's role includes:

- Providing effective leadership on formulating the Board's strategy;
- Representing the views of the Board to the public;
- Ensuring that that the Board meets at regular intervals throughout the year and that minutes of meeting accurately record decisions taken and where appropriate the views of individual directors;
- Guiding the agenda, information flow and conduct of all board meetings;
- Reviewing the performance of the board of directors; and
- Monitoring the performance of the management of the Company.

COMMITTEES

Due to the small size of the Company and the number of board members, the Board does not have a formal nomination committee structure. Any new directors will be selected according to the needs of the Company at that particular time, the composition and the balance of experience on the Board as well as the strategic direction of the Company.

Should the need arise to consider a new board member, some or all of the Directors would form the committee to consider the selection process and appointment of a new director.

CORPORATE GOVERNANCE STATEMENT

At each annual general meeting the following directors retire:

- One third of directors (excluding the Managing Director);
- Directors appointed by the Board to fill casual vacancies or otherwise;
- Directors who have held office for more than three years since the last general meeting at which they were elected.

DETAILS ON CURRENT DIRECTORS

Details on current directors including their skills and experience are included in the Directors' Report.

ETHICAL AND RESPONSIBLE DECISION-MAKING

In making decisions, the Directors of the Company, its officers and employees, take into account the needs of all stakeholders:

- Shareholders;
- Employees;
- Community;
- Creditors;
- Contractors; and
- Government (Federal, State and Local).

The Directors, officers and employees of the Company are expected to:

- Comply with the laws and regulations both by the letter and in spirit;
- Act honestly and with integrity;
- Avoid conflicts of interest by not placing themselves in situations which result in divided loyalties;
- Use the Company's assets responsibly and in the interests of the Company, not take advantage of property, information or position for personal gain or to compete with the Company;
- To keep non-public information confidential except where disclosure is authorised or legally mandated; and
- Responsible and accountable for their actions and report any unethical behaviour.

TRADING IN COMPANY SECURITIES

The Directors, officers and employees of the Company (including their immediate family or any entity for which they control investment decisions) must not acquire or dispose of securities in the Company whilst in possession of price sensitive information not yet released to the market.

Directors must advise the Company which in turn advises the Australian Securities Exchange of any transactions conducted by them in the Company's securities within five business days after the transaction occurs.

INTEGRITY OF FINANCIAL REPORTING

GME's Managing Director and Chief Financial Officer report in writing to the Board:

- That the Company's financial reports are complete and present a true and fair view, in all material respects, of the financial condition and operational results of the Company and Group; and
- That the above statement is founded on a sound system of internal control and risk management which implements the policies adopted by the Board and that the Company's risk management and internal controls are operating efficiently in all material respects.

AUDIT COMMITTEE

The Company does not have a formal audit committee as, in the opinion of the directors, the scope and size of the Company's operations do not warrant it. As such the Company is not in strict compliance of the Council's Recommendation 4.2 that the Board should establish an audit committee. It should be noted however that when the Council's Recommendation was made it was emphasised that it was more relevant for large companies.

The Board regularly reviews the scope of audits, the level of audit fees and the performance of auditors.

The Board also is continually assessing to ensure the independence of the external auditor is maintained. The company will and does, if necessary, use other consultants to avoid any potential independence issues.

TIMELY AND BALANCED DISCLOSURE TO AUSTRALIAN SECURITIES EXCHANGE

The Company has procedures in place to identify matters that are likely to have a material effect on the price of the Company's securities and to ensure those matters are notified to the Australian Securities Exchange in accordance with its listing rule disclosure requirements.

Information to the market and media is handled by the Chairman, the Managing Director or the Company Secretary. In particular, the Company Secretary has been nominated as the person responsible for communications with Australian Securities Exchange. This role includes responsibility for compliance with the continuous disclosure requirements of the Australian Securities Exchange Listing Rules and overseeing and coordinating information disclosures to Australian Securities Exchange, analysts, brokers, shareholders the media and the public.

All disclosures to Australian Securities Exchange are posted on the Company's website soon after clearance has been received from Australian Securities Exchange.

The Chairman, the Managing Director and Company Secretary are monitoring information in the marketplace to ensure that a false market does not emerge in the Company's securities.

COMMUNICATION WITH SHAREHOLDERS

It is the Company's communication policy to communicate with shareholders and other stakeholders in an open, regular and timely manner so that the market has sufficient information to make informed investment decisions on the operations and results of the Company.

The information is communicated to the shareholders through:

- Continuous disclosure announcements made to the Australian Securities Exchange;
- Distribution of the annual report to shareholders together with a notice of meeting;
- Posting of half-yearly results and all Australian Securities Exchange announcements on the Company's website;
- Posting of all major drilling results;
- Posting of all media announcements on the Company's website; and
- Calling of annual general meetings and other meetings of shareholders to obtain approval for board action as considered appropriate.

On the Company's website, information about the Company's projects is shown.

At annual general meetings and other general meetings of shareholders, shareholders are encouraged to ask questions of the Board of Directors relating to the operation of the Company. In addition, the Company's independent auditor attends annual general meetings to allow shareholders the ability to ask questions on the financial statements and the audit process.

CORPORATE GOVERNANCE STATEMENT

RISK MANAGEMENT

Due to its size of operation and size of the board, there is no formal board committee to identify, assess and monitor and manage risk. Responsibility for day to day control and risk management lies with the Managing Director and Company Secretary (financial risk) with reporting responsibility to the Board. The Board participate and monitor risks including but not limited to compliance with development and environmental approvals, tendering, contracting and development, pricing of products, quality, safety, strategic issues, financial risk, joint venture, accounting and insurance. Any changes in the risk profile for the Company are communicated to its stakeholders via an announcement to Australian Securities Exchange.

The Board has not required a formal report regarding the material risks and whether those risks are managed effectively and is therefore not complying with the Council's Recommendation 7.2.

The Board believes that the Company is effectively communicating its significant and material risks to the Board and its affairs are not of sufficient complexity to justify the implementation of a more formal system at this stage.

The Company's risk management strategy is evolving and it is recognised that the level and extent of the strategy will develop with the growth and change in the Company's activities.

REMUNERATION

Performance

The Board has adopted a self-evaluation process to measure its own performance. The Chairman evaluates the performance of each director and the Board evaluates the performance of the Chairman. Performance of senior executives is evaluated by the Managing Director in cooperation with the Chairman. All performance evaluations are measured against budget, goals and objectives set.

All directors of the board have access to the Company Secretary who is appointed by the Board. The Company Secretary reports to the Chairman, in particular to matters relating to corporate governance.

All board members have access to professional independent advice at the Company's expense provided they first have obtained the Chairman's approval which will not be unreasonably withheld.

Managing Director and Non-executive Directors

The directors are remunerated for the services they render the Company and such services are normally carried out under normal commercial terms and conditions. Remuneration is also determined having regard to how directors are remunerated for other similar companies, the time spent on the Company's matters and the performance of the Company. Engagement and payment for such services are approved by the other directors with no interest in the engagement of services.

The Board has no retirement or termination benefits. Payments to all directors are set out in the Director's Report.

Senior Executives

The remuneration of senior executives is discussed and determined by the Board upon receiving advice from the Managing Director. The remuneration packages are set at levels intended to attract and retain the executives capable of managing the Company's operations.

The remuneration of senior executives, where applicable, is set out in the Directors' Report.

General

Due to the staff size and the close involvement of the Board in the operations of the Company, the Company does not operate a formal remuneration committee. All remuneration paid to the Chairman, Non-executive Directors, Executive Directors and Senior Executives are all reviewed and discussed by the Board.

The Company does not operate an employee share option plan and there are no options outstanding issued to directors.

DIRECTORS' REPORT

Your directors present their report of GME Resources Limited and its controlled entities for the financial year ended 30 June 2009.

DIRECTORS

The names of directors in office at any time during or since the end of the year are:

Michael Delaney Perrott	(Non executive - Chairman)
David John Varcoe	(Managing Director)
James Noel Sullivan	(Executive Director)
Peter Ross Sullivan	(Non executive - Director)
Geoffrey Mayfield Motteram	(Non executive - Director)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity are mineral exploration and investment.

No significant change in the nature of these activities occurred during the year.

OPERATING AND FINANCIAL REVIEW

OPERATING RESULTS

The net loss after income tax attributable to members of the Group for the financial year to 30 June 2009 amounted to $628,861 (2008: $460,137).

OVERVIEW OF OPERATING ACTIVITY

The Company is developing the NiWest nickel laterite Heap Leach project in the NE Goldfields. The Company has explored and developed a significant resource base containing over 1 million tonnes of nickel metal. Due to the state of the world financial markets the Company has suspended work on the NiWest Nickel feasibility study pending an improvement in the Nickel market and the ability of financial markets to support major resource projects. The Company will continue to review options for development, including joint venturing of the project. During the reporting period the company undertook limited exploration and development work.

In 2008 the Company undertook a strategic review of the NiWest Project. Based on this work, the Company believes that the optimal size of the NiWest Heap leach Project is 3.5 million tonnes per annum (Mtpa) of ore processed, producing between 30,000 and 35,000 tonnes of nickel metal per annum. The Company envisages constructing a world class Nickel and Cobalt processing plant in the Northern Goldfields.

The Company was encouraged by the improvement in the Nickel price in the last quarter of the financial year to levels that again make the proposed NiWest Heap Leach project an attractive proposition. We believe that very few nickel producers would be profitable at sub $US5 per pound prices and this price would not support any new investment in the industry. On the basis of the improving metal price, lower sulphur input costs and a reduction in capital costs the Company intends to revisit the economics of the Heap Leach project. The Company will actively seek partners to jointly develop this world class project.

For a more detailed summary of activities for the year refer to the Review of Operations set out elsewhere in this Annual Report.

FINANCIAL POSITION

At the end of the financial year the consolidated entity had $356,187 (2008: $5,150,024) in cash and at call deposits.

Carried forward exploration expenditure was $29,138,670 (2008: $25,119,793).

During the year issued capital increased from 253,173,931 to 253,373,931 shares at the end of 2009. The movement related to the issue of 200,000 ordinary fully paid shares by the company as payment for the Jindalee Tenements.

DIRECTORS' REPORT

DIVIDENDS

No dividends have been paid or declared since the start of the financial year. No recommendation is made as to dividends.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the consolidated entity during the financial year.

AFTER BALANCE DATE EVENTS

On 20 July 2009 Directors closed a 1 for 12 non-renounceable entitlement issue at 5 cents.

The Company received total acceptances for shares under the Entitlement Issue for 21,114,494 ordinary fully paid shares at 5 cents each to raise a total of $1,055,725. The Directors were very pleased with the support shown by shareholders with approximately 71.2% of available entitlements being taken up.

The rights issue was not underwritten, but the Company had reserved the right to place the shortfall of 6,071,254 shares. All shortfall shares were taken up by shareholders.

Other than the issue referred to above, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the Group's operations, the results of those operations or the Group's state of affairs in future financial years.

LIKELY DEVELOPMENTS

The consolidated entity's areas of interest are in the exploration stage, and although the results of work carried out to date are encouraging it is not possible to predict the likely developments. The consolidated entity will continue its mineral exploration and investment activities with the object of finding further mineralised resources and exploiting those already discovered.

The Board is following a strategic plan for the growth of the Group, however, further information about likely developments future prospects and business strategies as they pertain to the operations and expected results of those operations have not been included in this report, as the Directors reasonably believe that disclosure of this information would be likely to result in unreasonable prejudice to the Group.

INFORMATION ON DIRECTORS AND COMPANY SECRETARY

Michael Delaney Perrott AM BCom FAIM
(Chairman) 63 Years
Director since 1996

Mr Perrott has been involved in the construction and contracting industry since 1969. He is currently Chairman and director of various listed and unlisted public and private companies. Mr Perrott is also a member of the Board of Notre Dame University and SANE Australia and a council member for the State Ministerial Council for Suicide prevention.

Mr Perrott has been Chairman of the Company since his appointment as a director in 1996.

Other current directorships of listed companies

Director of Schaffer Corporation Limited since February 2005 and VDM Group Ltd since July 2009.

Former directorships of listed companies in last 3 years

Non executive chairman of Gage Roads Brewing Co Limited from November 2006 to October 2007. Director of Port Bouvard Limited from 1998 until April 2009, and Director of Portman Limited from June 1997 until December 2008.

David John Varcoe B. Mining Engineering (Honours) MAusIMM
(Managing Director) 46 Years
Director since 2008

Mr Varcoe is a highly qualified mining engineer with over 20 years experience that includes extensive senior managerial and technical positions with Australia and international resource companies. His experience includes positions at Sons of Gwalia, Centaur, WMC, and Goldfields St Ives and for the period prior to joining GME as Principal Consultant Rio Tinto Technical Services based in the United Kingdom and Perth WA.

Mr Varcoe has not been a Director of any other public listed entities during the past three years.

James Noel Sullivan FAICD
(Executive Director) 48 Years
Director since 2004

Mr Sullivan has over 20 years experience in commerce providing services to the mining and allied industries.

Mr Sullivan was instrumental in establishing and managing the Golden Cliffs Prospecting Syndicate which acquired and pegged a number of prospective tenements in the Eastern Goldfields. The Golden Cliffs Prospecting Syndicate was subsequently acquired by the company in 1996. Mr Sullivan has extensive knowledge in mining and prospecting in the North Eastern Goldfields and in particular on matters involving tenement administration, native title negotiation and supply and logistics of services. Mr Sullivan's practical knowledge in these areas will be of great benefit to the Company as it seeks to develop its assets for the benefit of its shareholders.

Mr Sullivan has not been a Director of any other public listed entities during the past three years.

Peter Ross Sullivan BE, MBA
(Non Executive Director) 53 years
Director since 1996

Mr Sullivan is an engineer and has been involved in the management and strategic development of resource companies and projects for more than 20 years.

Mr Sullivan has been a director of the Company since his appointment in 1996.

Other current directorships of listed companies

Mr Sullivan has been a director of Resolute Mining Limited since June 2001.

Former directorships of listed companies in last 3 years

Mr Sullivan was a Director of Valhalla Uranium Limited for the period September 2005 to September 2006.

DIRECTORS' REPORT

INFORMATION ON DIRECTORS AND COMPANY SECRETARY (CONTINUED)

Geoffrey Mayfield Motteram BMetE (Hons), MAusIMM
(Non Executive Director) 60 years
Director since 1997

Mr Motteram is a metallurgical engineer with over 30 years' experience in the development of projects in the Australian resources industry.

He has extensive experience in gold and base metals having been involved with WMC's Kwinana Nickel Refinery and Kalgoorlie Nickel Smelter. He subsequently joined BHP, and later Metals Exploration, where he was involved in the evaluation of gold and base metal projects. Since 1989 he has acted as a Mining Project and Metallurgical Consultant. He was involved in the formation of Minara Resources Limited (formerly Anaconda Nickel Limited) in 1994 and controlled the technical development of the Murrin Murrin Joint Venture until the end of 1997. He is a former director of Minara Resources Limited.

Mr Motteram has been a non executive director of the Company since 1997, and provides technical support to the Company.

Other current directorships of listed companies

Mr Motteram has been a director of Mount Magnet South Limited since 31 May 2006.

Mr Mark Edward Pitts B.Bus CA
(Company Secretary) 47 Years

Mr Pitts was appointed to the position of Company Secretary in February 2009. Mr Pitts is a Chartered Accountant with over twenty years experience in statutory reporting and business administration. He has been directly involved with, and consulted to a number of public companies holding senior financial management positions. He is a partner in the corporate advisory firm Endeavour Corporate. Endeavour offers professional services focused on Company Secretarial support, corporate advice, supervision of ASIC and ASX reporting and compliance requirements, and commercial and financial support.

REMUNERATION REPORT

The remuneration report is set out in the following manner:

- Policies used to determine the nature and amount of remuneration.
- Details of remuneration
- Service agreements
- Share based compensation

REMUNERATION POLICY

The Board of Directors is responsible for remuneration policies and the packages applicable to the Directors of the Company. The broad remuneration policy is to ensure that packages offered properly reflect a person's duties and responsibilities and that remuneration is competitive and attracts, retains, and motivates people of the highest quality.

The Managing Director and Non-executive Directors are remunerated for the services they render to the Company and such services are carried out under normal commercial terms and conditions. Engagement and payment for such services are approved by the other directors who have no interest in the engagement of services.

At the date of this report the Company had not entered into any packages with Directors or senior executives which include performance based components.

DETAILS OF REMUNERATION FOR DIRECTORS

Remuneration levels are competitively set to attract and retain appropriately qualified and experienced Directors and senior executives. The Board of Directors obtains independent advice as appropriate when reviewing remuneration packages.

Details of nature and amount of each element of the emoluments of directors and executives of the Company (and each of the officers of the Company and the consolidated entity receiving the highest remuneration) are:

2009	Short Term Benefits Salary & Fees $	Post Employment Benefits Superannuation $	Long Term Benefits Options $	Total $
Executive Directors				
David J Varcoe	174,818	12,755	-	187,573
James N Sullivan	24,000	-	-	24,000
Non-Executive Directors				
Michael D Perrott	30,000	-	-	30,000
Geoffrey M Motteram	27,600	-	-	27,600
Peter R Sullivan	24,000	-	-	24,000
Executives				
Bradley J Wynne (ceased 11 Feb 2009)	91,017	8,192	-	99,209
John R Harris (ceased 30 Nov 2008)	82,275	7,405	-	89,680
Mr Mark E Pitts (appointed 11 Feb 2009)	23,750	-	-	23,750
	477,460	**28,352**	**-**	**505,812**

2008	Short Term Benefits Salary & Fees $	Post Employment Benefits Superannuation $	Long Term Benefits Options $	Total $
Executive Directors				
David J Varcoe	93,253	9,325	-	102,578
James N Sullivan	120,727	-	-	120,727
Non-Executive Directors				
Michael D Perrott	30,000	-	-	30,000
Geoffrey M Motteram	36,000	-	-	36,000
Peter R Sullivan	24,000	-	-	24,000
Executives				
Bradley J Wynne	150,000	13,500	-	163,500
John R Harris	66,667	6,000	-	72,667
	520,647	**28,825**	**-**	**549,472**

The Company and its subsidiaries had no employees as at 30 June 2009.

SERVICE AGREEMENTS

There are no service agreements with any of the Company's Directors.

SHARE BASED COMPENSATION

There is currently no provision in the policies of the consolidated entity for the provision of share based compensation to directors. The interest of Directors in shares and options is set out elsewhere in this report.

DIRECTORS' REPORT

DIRECTORS AND EXECUTIVES INTERESTS

The relevant interests of directors either directly or through entities controlled by the directors in the share capital of the company as at the date of this report are:

Director	Ordinary Shares Opening Balance	Net Change	Ordinary Shares Closing Balance
Michael D Perrott	12,317,182	-	12,317,182
David J Varcoe	75,000	-	75,000
James N Sullivan	12,129,676	25,000	12,154,676
Peter R Sullivan	11,737,481	-	11,737,481
Geoffrey M Motteram	4,862,356	-	4,862,356

MEETINGS OF DIRECTORS

During the year, 7 meetings of directors were held. Attendances were:

Name	Number Eligible to Attend	Number Attended
Michael D Perrott	7	7
David J Varcoe	7	7
James N Sullivan	7	7
Peter R Sullivan	7	7
Geoffrey M Motteram	7	7

LOANS TO DIRECTORS AND EXECUTIVES

There were no loans entered into with Directors or executives during the financial year under review.

Related party transactions with directors and executives are set out in Note 17 to the Financial Report.

UNLISTED OPTIONS

At the date of this report the number of unlisted Options on issue were as follows:

- 2,000,000 Options exercisable at $0.70 each;

The options will expire on 30 September 2010.

AUDIT COMMITTEE

The Board reviews the performance of the external auditors on an annual basis and meets with them during the year to review findings and assist with Board recommendations.

The Board does not have a separate Audit Committee with a composition as suggested in the best practice recommendations. The full Board carries out the function of an audit committee.

The Board believes that the Company is not of a sufficient size to warrant a separate committee and that the full board is able to meet objectives of the best practice recommendations and discharge its duties in this area.

INDEMNIFYING OFFICERS OR AUDITORS

The company has not, during or since the financial year, in respect of any person who is or has been an officer or the auditor of the Company or of a related body corporate indemnified or made any relative agreement for indemnifying against a liability incurred as an officer or auditor, including costs and expenses in defending legal proceedings.

ENVIRONMENTAL REGULATION

The consolidated entity's exploration and mining tenements are located in Western Australia. There are significant regulations under the Western Australian Mining Act 1978 and the Environmental Protection Acts that apply. Licence requirements relating to ground disturbance, rehabilitation and waste disposal exist for all tenements held.

The directors are not aware of any significant breaches during the period covered by this report.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court, pursuant to section 237 of the Corporations Act 2001, to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditors' expertise and experience with the Company or consolidated entity are important.

During the year HLB Mann Judd, performed no other services in addition to their statutory audit duties.

AUDITORS' INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is signed in accordance with a Resolution of Directors.

David J Varcoe
Managing Director

Perth, Western Australia
23 September 2009

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of GME Resources Limited for the year ended 30 June 2009, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of GME Resources Limited.

Perth, Western Australia
23 September 2009

W M CLARK
Partner, HLB Mann Judd

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	Note	Consolidated		Parent Entity	
		2009	2008	2009	2008
		$	$	$	$
Revenue	2	248,037	797,462	143,180	515,644
Interest expense		-	23,545	-	23,545
Depreciation expense		234,302	34,598	234,302	34,598
Management and consulting fees		488,035	642,892	488,035	642,892
Administration expenses		320,977	556,564	320,785	556,553
Loss before income tax benefit		795,277	460,137	899,942	741,944
Income tax benefit	3	(166,416)	-	(166,416)	-
Loss from ordinary activities after related income tax		628,861	460,137	733,526	741,944
Net loss attributable to members of the parent entity		628,861	460,137	733,526	741,944
Earnings Per Share					
Basic earnings per share (cents per share)	16	(0.25)	(0.19)		

The accompanying notes form part of these financial statements.

BALANCE SHEET
AS AT 30 JUNE 2009

	Note	Consolidated		Parent Entity	
		2009	2008	2009	2008
		$	$	$	$
CURRENT ASSETS					
Cash and cash equivalents	13(b)	356,187	5,150,024	200,754	4,928,834
Receivables	4	7,291	230,023	5,034	247,974
Other financial assets	5	8,250	8,250	8,250	8,250
TOTAL CURRENT ASSETS		371,728	5,388,297	214,038	5,185,058
NON CURRENT ASSETS					
Receivables	6	-	-	10,282,448	9,245,709
Other financial assets	7	-	-	2,615,950	2,615,950
Plant and equipment	8	493,995	727,948	493,995	727,948
Exploration and evaluation expenditure carried forward	9	29,138,670	25,119,793	16,047,396	13,139,101
TOTAL NON CURRENT ASSETS		29,632,665	25,847,741	29,439,789	25,728,708
TOTAL ASSETS		30,004,393	31,236,038	29,653,827	30,913,766
CURRENT LIABILITIES					
Payables	10	102,756	713,540	1,524,989	2,059,402
TOTAL CURRENT LIABILITIES		102,756	713,540	1,524,989	2,059,402
TOTAL LIABILITIES		102,756	713,540	1,524,989	2,059,402
NET ASSETS		29,901,637	30,522,498	28,128,838	28,854,364
EQUITY					
Issued capital	11	44,526,381	44,518,381	44,526,381	44,518,381
Financial assets reserve	11	(1,125)	(1,125)	(1,125)	(1,125)
Option reserve	11	740,796	740,796	740,796	740,796
Accumulated losses		(15,364,415)	(14,735,554)	(17,137,214)	(16,403,688)
TOTAL EQUITY		29,901,637	30,522,498	28,128,838	28,854,364

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2009

Consolidated	Note	Ordinary Shares	Financial Assets Reserve	Option Reserve	Accumulated Losses	Total
Balance at 1 July 2007		26,480,932	(1,125)	91,396	(14,275,417)	12,295,786
Loss attributable to members of the parent entity in 2008		-	-	-	(460,137)	(460,137)
Issue of unlisted options		-	-	649,400	-	649,400
Shares issued (net of costs)	11	18,037,449	-	-	-	18,037,449
Balance at 30 June 2008		44,518,381	(1,125)	740,796	(14,735,554)	30,522,498
Loss attributable to members of the parent entity in 2009		-	-	-	(628,861)	(628,861)
Issue of unlisted options		-	-	-	-	-
Shares issued (net of costs)	11	8,000	-	-	-	8,000
Balance at 30 June 2009		44,526,381	(1,125)	740,796	(15,364,415)	29,901,637
PARENT						
Balance at 1 July 2007		26,480,932	(1,125)	91,396	(15,661,744)	10,909,459
Loss attributable to members of the parent entity in 2008		-	-	-	(741,944)	(741,944)
Issue of unlisted options		-	-	649,400	-	649,400
Shares issued (net of costs)	11	18,037,449	-	-	-	18,037,449
Balance at 30 June 2008		44,518,381	(1,125)	740,796	(16,403,688)	28,854,364
Loss attributable to members of the parent entity in 2009		-	-	-	(733,526)	(733,526)
Issue of unlisted options		-	-	-	-	-
Shares issued (net of costs)	11	8,000	-	-	-	8,000
Balance at 30 June 2009		44,526,381	(1,125)	740,796	(17,137,214)	28,128,838

The accompanying notes form part of these financial statements.

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	Note	Consolidated		Parent Entity	
		2009	2008	2009	2008
		$	$	$	$
Cash flows from operating activities					
Cash receipts from customers		266,416	281,818	166,416	-
Cash paid to suppliers and employees		(5,207,693)	(5,947,894)	(4,016,711)	(4,836,803)
Interest received		148,037	484,657	143,180	484,657
Net cash from operating activities	13(a)	(4,793,240)	(5,181,419)	(3,707,115)	(4,352,146)
Cash flows from investing activities					
Acquisition of Plant and equipment		(5,597)	(743,073)	(5,597)	(743,073)
Amounts paid on behalf of controlled entities		-	-	(1,020,368)	(1,029,263)
Net cash from investing activities		(5,597)	(743,073)	(1,025,965)	(1,772,336)
Cash flows from financing activities					
Proceeds from issue of shares		-	10,403,967	-	10,403,967
Proceeds from sale of assets		5,000	-	5,000	
Payment of costs associated with issue of shares		-	(44,118)	-	(44,118)
Net cash from financing activities		5,000	10,359,849	5,000	10,359,849
Net increase/(decrease)in cash and cash equivalents		(4,793,837)	4,435,357	(4,728,080)	4,235,367
Cash and cash equivalents at 1 July		5,150,024	714,667	4,928,834	693,467
Cash and cash equivalents at 30 June	13(b)	356,187	5,150,024	200,754	4,928,834

The accompanying notes form part of these financial statements.

1. STATEMENT OF ACCOUNTING POLICIES

GME Resources Limited ('the Company') is a listed public company, incorporated and domiciled in Australia. The consolidated financial reports of the Company for the financial year ended 30 June 2009 comprise the Company and its subsidiaries (together referred to as 'the Group').

(a) Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and Interpretations and complies with other requirements of the law. The financial report has also been prepared on a historical cost basis, unless otherwise stated, except for available for sale investments which have been measured at fair value.

The financial report is presented in Australian dollars.

The Company is a listed public company, incorporated in Australia and operating in Australia. The entity's principal activities are mineral exploration and investment.

(b) Adoption of new and revised standards

In the year ended 30 June 2009, the Group has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2008. Details of the impact of the adoption of these new accounting standards are set out in the individual accounting policy notes set out below.

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2009. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

(c) Significant accounting judgements and key estimates

The preparation of financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

The recoverability of the carrying amount of exploration and evaluation costs carried forward has been reviewed by the directors. In conducting the review, the recoverable amount has been assessed by reference to the higher of "fair value less costs to sell" and "value in use". In determining value in use, future cash flows are based on:

- Estimates of ore reserves and mineral resources for which there is a high degree of confidence of economic extraction.
- Estimated production and sales levels.
- Estimate future commodity prices.
- Future costs of production.
- Future capital expenditure.
- Future exchange rates.

The cashflow model used to support the assessment is calculated over a period of 20 years, being the estimated life of the mine. The discount rate is 8% and for the purpose of this exercise, future nickel and cobalt prices of USD16,500 and USD44,000 per tonne respectively have been assumed with a long term AUD/USD exchange rate of $0.80.

Variations to expected future cash flows, and timing thereof, could result in significant changes to the impairment test results, which in turn could impact future financial results.

The accounting policies and methods of computation adopted in the preparation of the financial report are consistent with those adopted and disclosed in the company's 2008 annual financial report for the financial year ended 30 June 2008.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

1. STATEMENT OF ACCOUNTING POLICIES (CONT.)

(d) Going Concern

As disclosed in the financial report, the consolidated entity recorded an operating loss of $628,861 and a cash outflow from operating activities of $4,793,240 for the year ended 30 June 2009 and at balance date, had net current assets of $268,972. These factors indicate significant uncertainty whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Board considers that the consolidated entity is a going concern and recognises that additional funding is required to ensure that the consolidated entity can continue to fund its operations and further develop its mineral exploration and evaluation assets during the twelve month period from the date of this financial report. Such additional funding can be derived from sources including:

- The placement of securities under the ASX Listing Rule 7.1 or otherwise;
- An excluded offer pursuant to the Corporations Act 2001; or
- The sale of assets.

Accordingly, the Directors believe that subject to prevailing equity market conditions, the consolidated entity will obtain sufficient funding to enable it and the consolidated entities to continue as a going concern and that it is appropriate to adopt that basis of accounting in the preparation of the financial report. Should the consolidated entity be unable to obtain sufficient funding as outlined above, there is significant uncertainty whether or not the consolidated entity will be able to continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

(e) Statement of compliance

The financial report was authorised for issue on 23rd September 2009.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(f) Principles of Consolidation

The consolidated financial statements comprise the financial statements of GME Resources Limited and its subsidiaries as at 30 June each year (the Group).

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefit from its activities.

The acquisition of subsidiaries has been accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition. Accordingly, the consolidated financial statements include the results of subsidiaries for the period from their acquisition.

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the income statement and within equity in the consolidated balance sheet

(g) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(h) Borrowing Costs

Borrowing costs are recognised as an expense when incurred except those that relate to the acquisition, construction or production of qualifying assets where the borrowing cost is added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

(i) Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(j) Receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

(k) Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

1. STATEMENT OF ACCOUNTING POLICIES (CONT.)

(k) Income Tax (Cont.)

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Tax consolidation legislation

GME Resources Limited and its 100% owned Australian resident subsidiaries have implemented the tax consolidation legislation. Current and deferred tax amounts are accounted for in each individual entity as if each entity continued to act as a taxpayer on its own.

GME Resources Limited recognises both its own current and deferred tax amounts and those current tax liabilities, current tax assets and deferred tax assets arising from unused tax credits and unused tax losses which it has assumed from its controlled entities within the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts payable or receivable from or payable to other entities in the Group. Any difference between the amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) controlled entities in the tax consolidated group.

(l) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

(m) Plant and Equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Plant and equipment – over 4 to 5 years.

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

(i) Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount

For plant and equipment, impairment losses are recognised in the income statement in the cost of sales line item.

(ii) Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(n) Investments and other financial assets

Financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transactions costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

(i) Financial assets at fair value through profit or loss

Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in profit or loss.

(ii) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

1. STATEMENT OF ACCOUNTING POLICIES (CONT.)

(n) Investments and other financial assets (cont.)

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(iv) Available-for-sale investments

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models.

(o) Exploration and Evaluation Expenditure

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Group has obtained the legal rights to explore an area are recognised in the income statement.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

(i) the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or
(ii) activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or other wise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing

Exploration and evaluation assets are assessed for impairment if:

- sufficient data exists to determine technical feasibility and commercial viability, and
- facts and circumstances suggest that the carrying amount exceeds the recoverable amount (see impairment accounting policy 1(m)).

For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from intangible assets to mining property and development assets within property, plant and equipment.

(p) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(q) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(r) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(s) Earnings per share

Basic EPS is calculated as net result attributable to members, adjusted to exclude costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as net result attributable to members, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with potential dilutive ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and potential dilutive ordinary shares, adjusted for any bonus element.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	Consolidated		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
2. REVENUE AND EXPENSES				
(a) Revenue:				
Operating Activities				
Interest received	148,037	515,644	143,180	515,644
Proceeds from:				
Facilitation fee for prospecting rights	100,000	281,818	-	-
Total revenue	248,037	797,462	143,180	515,644
(b) Expenses:				
Depreciation – plant and equipment	234,302	34,598	234,302	34,598
3. INCOME TAX				
(a) Income tax recognised in profit and loss				
The prima facie tax benefit on operating result is reconciled to the income tax provided in the financial statements as follows:				
Accounting loss before tax from continuing operations	(795,277)	(460,137)	(899,942)	(741,944)
Income tax benefit calculated at 30%	(238,583)	(138,041)	(269,982)	(222,583)
Non-deductible expenses				
Adjustments to head entity in respect of tax consolidation	-	-	(301,776)	(248,785)
Unused tax losses and tax offset not recognised as deferred tax assets	2,543,274	2,869,707	2,543,274	2,869,707
Adjustments in respect of deferred income tax of previous years	491,654	-	491,654	-
R&D tax concession	(158,723)	285,000	(158,723)	285,000
Unrecognised deferred tax assets / (liabilities)	(2,143,947)	(3,016,805)	(1,810,772)	(2,683,480)
Under provision for income tax benefit in prior years	(491,654)	-	(491,654)	-
Other	(2,021)	141	(2,021)	141
Tax refund received	(166,416)	-	(166,416)	-
Income tax benefit	(166,416)	-	(166,416)	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	Consolidated		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
3. INCOME TAX (CONT.)				
(b) Unrecognised deferred tax balances				
Unrecognised deferred tax assets comprise:				
Losses available for offset against future taxable income	9,672,923	6,657,676	9,672,923	6,657,676
Project pool differences	-	1,008,113	-	1,008,113
Capital raising costs	13,586	20,179	13,586	20,179
Provision for non-recovery of investments	1,169,023	1,168,635	1,169,023	1,168,635
Accrued expenses and liabilities	3,000	7,837	2,400	7,237
	10,858,532	8,862,440	10,857,932	8,861,840
Unrecognised deferred tax liabilities comprise:				
Exploration expenditure	8,741,601	7,535,938	4,814,219	3,941,730
Deductible prepayment	-	15,868	-	15,868
Accrued income	-	9,269	-	9,269
Capital allowance differences	123,347	179,081	123,347	179,081
	8,864,948	7,740,156	4,937,566	4,145,948
Income tax expense not recognised directly in equity:				
Capital raising costs	98,191	98,191	98,191	98,191

Potential deferred tax assets attributable to tax losses and capital losses carried forward have not been brought to account because directors do not believe it is appropriate to regard realisation of the future tax benefit as probable.

Tax Consolidation

Effective 1 July 2003, for the purposes of income taxation, the Company and its 100% wholly-owned subsidiaries formed a tax consolidated group, the head entity of the tax consolidated group is GME Resources Limited.

4. RECEIVABLES (CURRENT)				
Sundry debtors	7,291	230,023	5,034	247,974
5. OTHER FINANCIAL ASSETS (CURRENT)				
Available-for-sale				
Listed investments	8,250	8,250	8,250	8,250
6. RECEIVABLES (NON CURRENT)				
Loans to controlled entities (wholly owned)	-	-	11,605,143	10,568,404
Provision for impairment loss	-	-	(1,322,695)	(1,322,695)
	-	-	10,282,448	9,245,709

An existing provision for non recoverability has been reclassified as an impairment loss recognised against loans to controlled entities. The provision is considered prudent as these entities have continued to incur losses during the year. The provision allows for the possibility of these loans not being recoverable.

The recoverability of the carrying value of loans to controlled entities is dependent upon the successful development and commercial exploitation or alternatively sale of the respective areas in which those controlled entities have an interest , at amounts sufficient to recover the loans.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	Consolidated		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$

7. OTHER FINANCIAL ASSETS (NON CURRENT)

Unlisted Investments:				
Controlled entities (refer note 12)	-	-	5,178,206	5,178,206
Provision for diminution in value	-	-	(2,562,256)	(2,562,256)
	-	-	2,615,950	2,615,950

All investments comprise ordinary shares and no shares held in related corporations are listed on a prescribed stock exchange.

The recoverability of the carrying value of shares in controlled entities is dependent on the successful development and commercial exploitation or, alternatively, sale of the respective areas in which those controlled entities have an interest at amount sufficient to recover the investment.

8. PLANT AND EQUIPMENT (NON CURRENT)

Plant and equipment - at cost	781,697	781,348	781,697	781,348
Less accumulated depreciation	(287,702)	(53,400)	(287,702)	(53,400)
Total plant and equipment	493,995	727,948	493,995	727,948
Reconciliation of the carrying amount of plant and equipment:				
Carrying amount at the beginning of the year	727,948	19,473	727,948	19,473
Additions	5,597	743,073	5,597	743,073
Disposals	(5,248)	-	(5,248)	-
Depreciation	(234,302)	(34,598)	(243,302)	(34,598)
Carrying amount at the end of the year	493,995	727,948	493,995	727,948

9. EXPLORATION AND EVALUATION EXPENDITURE CARRIED FORWARD (NON CURRENT)

Deferred exploration and evaluation expenditure - at cost				
Movements:				
Balance at beginning of the year	25,119,793	12,440,384	13,139,101	1,570,782
Direct expenditure	4,018,877	12,679,409	2,908,295	11,568,319
	29,138,670	25,119,793	16,047,396	13,139,101
Less expenditure written off	-	-	-	-
	29,138,670	25,119,793	16,047,396	13,139,101

The ultimate recoupment of the above deferred exploration and evaluation expenditure is dependent on the successful development and commercial exploitation or, alternatively, sale of the respective areas at amounts sufficient to recover the investment.

10. PAYABLES (CURRENT)

	Consolidated		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Trade payables and accruals	102,756	653,540	100,756	651,540
Unearned income	-	60,000	-	-
Amount payable to wholly owned entity	-	-	1,424,233	1,407,862
	102,756	713,540	1,524,989	2,059,402

Trade payables and accruals are non interest bearing and normally settled on 30 day terms.

Details of exposure to interest rate risk and fair value in respect of liabilities are set out in note 18. There are no secured liabilities as at 30 June 2009.

11. CONTRIBUTED EQUITY AND RESERVES

Issued and paid up capital

253,373,931 (2008: 253,173,931) ordinary shares, fully paid	44,526,381	44,518,381	44,526,381	44,518,381
Ordinary shares				
Balance at the beginning of the year	44,518,381	26,480,932	44,518,381	26,480,932
Entitlement issue	-	10,403,967	-	10,403,967
Costs associated with entitlement issue	-	(44,118)	-	(44,118)
Issue of shares pursuant to acquisition of tenements (a)	8,000	7,677,600	8,000	7,677,600
Balance at the end of the year	44,526,381	44,518,381	44,526,381	44,518,381
	No of Shares	No of Shares	No of Shares	No of Shares
Balance at the beginning of the year	253,173,931	220,365,998	253,173,931	220,365,998
Entitlement issue	-	20,807,933	-	20,807,933
Issue of shares pursuant to acquisition of tenements (a)	200,000	12,000,000	200,000	12,000,000
Balance at the end of the year	253,373,931	253,173,931	253,373,931	253,173,931

(a) During the year, the company issued 200,000 shares as consideration for the Jindalee tenement package at an issue price of 4 cents per share.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

11. CONTRIBUTED EQUITY AND RESERVES (CONT.)

Options over Unissued Capital

	$0.70	$0.75	$0.80
Balance at the beginning of the year	2,000,000	250,000	100,000
Expired	-	(250,000)	(100,000)
Balance at the end of the year	2,000,000	-	-

Unlisted 75 and 80 cent Options expired on 30 June 2009. The unlisted 70 cent Options outstanding at year end will expire on 30 September 2010.

Reserves

Nature and purpose

The financial assets reserve is used to record movements in the fair value of available for sale assets.

The option reserve is used to record the fair value of options issued.

12. CONTROLLED ENTITIES

Name of Controlled Entity/ (Country Of Incorporation)	Percentage Owned		Company's Cost of Investment	
	2009 %	2008 %	2009 $	2008 $
GME Sulphur Inc (USA)	100	100	-	-
GME Investments Pty Ltd (Australia)	100	100	-	-
Golden Cliffs NL (Australia)	100	100	616,893	616,893
NiWest Limited (Australia)	100	100	4,561,313	4,561,313
			5,178,206	5,178,206

13. STATEMENT OF CASH FLOWS

	Consolidated		Parent Entity	
	2009 $	2008 $	2009 $	2008 $
(a) Reconciliation of cash flows from operating activities				
Loss from ordinary activities after tax	(628,861)	(460,137)	(733,526)	(741,944)
Depreciation / amortisation	234,302	34,598	234,302	34,598
Exploration costs capitalised (excluding creditors)	(4,301,940)	(4,352,409)	(2,875,250)	(3,241,319)
Decrease/(increase) in receivables	191,744	(17,021)	242,938	(35,204)
Increase/(decrease) in sundry creditors	(288,485)	(386,450)	(575,100)	(368,277)
Other non cash transactions (including issue of options)	-	-	(479)	-
Net cash flows from operating activities	(4,793,240)	(5,181,419)	(3,707,115)	(4,352,146)

	Consolidated		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$

13. STATEMENT OF CASH FLOWS (CONT.)

(b) Reconciliation of cash and cash equivalents

Cash balance comprises:				
Cash at bank	159,340	5,104,824	3,907	4,904,834
Deposits at call	196,847	45,200	196,847	24,000
	356,187	5,150,024	200,754	4,928,834

14. AUDITOR'S REMUNERATION

Amounts received or due and receivable by the auditors of GME Resources Ltd for:				
- an audit or review of the financial statements of the company and any other entity in the Group	32,654	18,500	32,654	18,500
- other services in relation to the company and any other entity in the Group	-	10,093	-	10,093
	32,654	28,593	32,654	28,593

15. SEGMENT REPORTING

There are no individual segments to be reported as the Group's operations are predominantly in the mining industry in Australia.

	Consolidated	
	2009	2008
	$	$

16. EARNINGS PER SHARE

Basic and diluted loss per share (cents)	(0.25)	(0.19)
Loss used in calculation of basic and diluted earnings per share	628,861	460,137
Weighted average number of ordinary shares outstanding during the year used in calculation of basic and diluted earnings per share	253,296,671	246,816,898

No adjustment was made for the 2,000,000 options on issue at 30 June 2009 (2008: 2,350,000) as they are not considered to be dilutive.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

17. DIRECTORS' AND EXECUTIVES DISCLOSURES

a) Details of Key Management Personnel

(i) Directors

Michael Delaney Perrott	– Non executive Chairman
David John Varcoe	– Managing Director
James Noel Sullivan	– Executive Director
Peter Ross Sullivan	– Non executive Director
Geoffrey Mayfield Motteram	– Non executive Director

(ii) Executives

Bradley John Wynne	- Chief Financial Officer (ceased 11 February 2009)
Mark Edward Pitts	- Company Secretary (commenced 11 February 2009)
John Richard Harris	- Chief Geologist (ceased 30 November 2008)

(b) Compensation of Key Management Personnel

(i) Compensation Policy

The Board of Directors is responsible for remuneration policies and the packages applicable to the Directors of the Company. The Board remuneration policy is to ensure that packages offered properly reflect a person's duties and responsibilities and that remuneration is competitive and attracts, retains, and motivates people of the highest quality.

The Managing Director and Non-executive Directors are remunerated for the services they render to the Company and such services are carried out under normal commercial terms and conditions. Engagement and payment for such services are approved by the other directors who have no interest in the engagement of services.

There are no retirement or termination benefits payable to the Board or senior executives.

At the date of this report the Company had not entered into any packages with Directors or senior executives which include performance based components. The Company does not operate an employee share option plan.

As part of his package, Mr David Varcoe is entitled to 2,000,000 options exercisable at $0.65, 500,000 options exercisable at $0.80, and 500,000 options exercisable at $1.00. These options have an expiry date of 18 February 2012 and are subject to shareholder approval.

(ii) Compensation of Key Management Personnel for the year ended 30 June 2009

2009	Short Term Benefits Salary & Fees	Post Employment Benefits Superannuation	Long Term Benefits Options	Total
	$	$	$	$
Executive Directors				
David J Varcoe	174,818	12,755	-	187,573
James N Sullivan	24,000	-	-	24,000
Non-Executive Directors				
Michael D Perrott	30,000	-	-	30,000
Geoffrey M Motteram	27,600	-	-	27,600
Peter R Sullivan	24,000	-	-	24,000
Executives				
Bradley J Wynne (ceased 11 Feb 2009)	91,017	8,192	-	99,209
John R Harris (ceased 30 Nov 2008)	82,275	7,405	-	89,680
Mark E Pitts (appointed 11 Feb 2009)	23,750	-	-	23,750
	477,460	**28,352**	**-**	**505,812**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

(iii) Compensation of Key Management Personnel for the year ended 30 June 2008

2008	Short Term Benefits Salary & Fees $	Post Employment Benefits Superannuation $	Long Term Benefits Options $	Total $
Executive Directors				
David J Varcoe	93,253	9,325	-	102,578
James N Sullivan	120,727	-	-	120,727
Non-Executive Directors				
Michael D Perrott	30,000	-	-	30,000
Geoffrey M Motteram	36,000	-	-	36,000
Peter R Sullivan	24,000	-	-	24,000
Executives				
Bradley J Wynne	150,000	13,500	-	163,500
John R Harris	66,667	6,000	-	72,667
	520,647	**28,825**	**-**	**549,472**

(c) Shareholdings of Key Management Personnel (Consolidated)

	Ordinary Shares 1/7/2008	Net Change	Ordinary Shares 30/6/2009
Michael Delaney Perrott	12,317,182	-	12,317,182
David John Varcoe	75,000	-	75,000
James Noel Sullivan	12,129,676	25,000	12,154,676
Peter Ross Sullivan	11,737,481	-	11,737,481
Geoffrey Mayfield Motteram	4,862,356	-	4,862,356

(d) Other transactions and balances with Key Management Personnel

There were no other transactions with key management personnel during this financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

18. FINANCIAL INSTRUMENT DISCLOSURES

(a) Categories of financial instruments

2009	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate Maturing Within 1 year	Fixed Interest Rate Maturing Over 1 year	Non-interest Bearing	Total
Financial Assets		$	$	$	$	$
Cash assets	6.43%	159,340	196,847	-	-	356,187
Other financial assets	-	-	-	-	8,250	8,250
Receivables	-	-	-	-	7,291	7,291
		159,340	196,847	-	15,541	371,728
Payables	-	-	-	-	102,756	102,756
		-	-	-	102,756	102,756

2008	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate Maturing Within 1 year	Fixed Interest Rate Maturing Over 1 year	Non-interest Bearing	Total
Financial Assets		$	$	$	$	$
Cash assets	7.28%	5,104,824	45,200	-	-	5,150,024
Other financial assets	-	-	-	-	8,250	8,250
Receivables	-	-	-	-	230,023	230,023
		5,104,824	45,200	-	238,273	5,388,297
Financial Liabilities						
Payables	-	-	-	-	415,242	415,242
		-	-	-	415,242	415,242

(b) Interest rate risk sensitivity analysis

The Company and the Group are exposed to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates, in respect of the cash balances and deposits.

The sensitivity analyses below have been determined based on the exposure to interest rates for instruments at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the change in interest rates.

At reporting date, if interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's net loss before tax and equity would increase by $1,781 and decrease by $1,781 respectively (2008:$25,750).

(c) Liquidity risk

The Company manages liquidity risk by continually monitoring cash reserves and cash flow forecasts to ensure that financial commitments can be met as and when they fall due.

(d) Capital management risk

The Company controls the capital of the Group in order to maximise the return to shareholders and ensure that the Group can fund its operations and continue as a going concern.

The Company effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and the market. These responses include the management of expenditure and debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the group since the prior year.

(e) Net fair values

The net fair value of the financial assets and financial liabilities approximates their carrying value. Other than listed investments that are measured at the quoted bid price at balance date adjusted for transaction costs expected to be incurred, no financial assets and financial liabilities are readily traded on organised markets in standardised form.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to and forming part of the financial statements.

19. COMMITMENTS AND CONTINGENT LIABILITIES

There were no capital commitments or contingent liabilities, not provided for in the financial statements of the Group as at 30 June 2009, other than:

(a) Mineral Tenement Leases

In order to maintain current rights of tenure to mining tenements, the Group in its own right or in conjunction with its joint venture partners may be required to outlay amounts of approximately $2,951,417 (2008: $1,715,449) per annum on an ongoing basis in respect of tenement lease rentals and to meet the minimum expenditure requirements of the Western Australian and Queensland Mines Department. These obligations are expected to be fulfilled in the normal course of operations by the Group or its joint venture partners and are subject to variations dependent on various matters, including the results of exploration on the mineral tenements.

(b) Claims of Native Title

Legislative developments and judicial decisions (in particular the uncertainty created in the area of Aboriginal land rights by the High Court decision in the "Mabo" case and native title legislation) may have an adverse impact on the Group's exploration and future production activities and its ability to fund those activities. It is impossible at this stage to quantify the impact (if any) which these developments may have on the Group's operations.

Native title claims have been made over ground in which the Group currently has an interest. It is possible that further claims could be made in the future. However, the Company has not undertaken the considerable legal, historical, anthropological and ethnographic research which would be necessary to determine whether any current or future claims, if made, will succeed and, if so, what the implications would be for the Group.

	Consolidated		Parent Entity	
	2009	2008	2009	2008
(c) Non Cancellable Operating Lease Commitments	$	$	$	$
Within one year	27,676	50,828	27,676	50,828
One year or later and no later than five years	27,676	60,008	27,676	60,008
	55,352	110,836	55,352	110,836

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

20. INTERESTS IN BUSINESS UNDERTAKINGS - JOINT VENTURES

The Company has entered into a number of agreements with other companies to gain interests in project areas. These interests will be earned by expending certain amounts of money on exploration expenditure within a specific time. The Company can however, withdraw from these projects at any time without penalty. The amounts required to be expended in the next year have been included in Note 19 – Commitments and Contingent Liabilities.

21. RELATED PARTIES

Total amounts receivable and payable from entities in the wholly-owned group at balance date:

	2009 $	2008 $
Non-Current Receivables		
Loans net of provisions for non recovery	10,282,448	9,245,709
Current Payables		
Loans	1,424,233	1,407,862

22. EVENTS SUBSEQUENT TO BALANCE DATE

On 20 July 2009 Directors closed a 1 for 12 non-renounceable entitlement issue at 5 cents.

The Company received total acceptances for shares under the Entitlement Issue for 21,114,494 ordinary fully paid shares at 5 cents each to raise a total of $1,055,725. The Directors were very pleased with the support shown by shareholders with approximately 71.2% of available entitlements being taken up.

The rights issue was not underwritten, but the Company had reserved the right to place the shortfall of 6,071,254 shares. All shortfall shares were taken up by shareholders.

Other than the issue referred to above, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the Group's operations, the results of those operations or the Group's state of affairs in future financial years.

DIRECTORS' DECLARATION

1. In the opinion of the directors:

a). the financial statements and notes of the company and of the Group are in accordance with the Corporations Act 2001 including:
   i. giving a true and fair view of the company's and Group's financial position as at 30 June 2009 and of their performance for the year then ended; and
   ii. complying with Accounting Standards and Corporations Regulations 2001;

b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

2. This declaration has been made after receiving the declarations required to be made to the directors by the Managing Director and the Chief Financial Officer, in accordance with Section 295A of the Corporations Act 2001, for the financial year ended 30 June 2009.

This declaration is signed in accordance with a resolution of the Board of Directors.

David J Varcoe
Managing Director

Perth, Western Australia
23 September 2009

INDEPENDENT AUDITOR'S REPORT

To the members of
GME RESOURCES LIMITED

Report on the Financial Report

We have audited the accompanying financial report of GME Resources Limited ("the company"), which comprises the balance sheet as at 30 June 2009, the income statement, statement of changes in equity, cash flow statement and notes to the financial statements for the year ended on that date, and the directors' declaration for both the company and the consolidated entity as set out on pages 29 to 51. The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In Note 1(e), the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

INDEPENDENT AUDITOR'S REPORT

Auditor's Opinion

In our opinion:

(a) the financial report of GME Resources Limited is in accordance with the Corporations Act 2001, including:
  (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and
  (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(e).

Continuation as a Going Concern

Without qualification to the opinion expressed above, we draw attention to Note 1(d) to the financial statements which indicates that the company will require additional sources of funding to enable it to carry out its objectives. If the company is unable to generate additional cash flows, there is significant uncertainty whether the company will continue as a going concern and, therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Recoverability of Exploration and Evaluation Carried Forward

Without qualification to the opinion expressed above, we draw attention to Note 1(c) to the financial statements which indicates the factors required for the group to recover the carrying value of exploration and evaluation expenditure carried forward. If the factors for recoverability are not achieved in the future, an impairment loss will be required to be determined and brought to account.

Report on the Remuneration Report

We have audited the Remuneration Report included on pages 24 to 25 of the directors' report for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of GME Resources Limited for the year ended 30 June 2009 complies with section 300A of the Corporations Act 2001.

HLB MANN JUDD
Chartered Accountants

Perth, Western Australia
23 September 2009

W M CLARK
Partner

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 2 15 Rheola Street West Perth 6005 PO Box 263 West Perth 6872 Western Australia. Telephone +61 (08) 9481 0977. Fax +61 (08) 9481 3686.

Email: hlb@hlbwa.com.au. Website: http://www.hlb.com.au

Liability limited by a scheme approved under Professional Standards Legislation

HLB Mann Judd (WA Partnership) is a member of International, a world-wide organisation of accounting firms and business advisers

SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 30 September 2009.

A. DISTRIBUTION OF SECURITIES

(a) Analysis of numbers of shareholders by size and holding:

Category (size of holding)	Holders
1 - 1,000	93
1,001 - 5,000	354
5,001 - 10,000	207
10,001 - 100,000	660
100,000 and over	233
	1,547

(b) There were 521 holders of less than a marketable parcel of ordinary shares.

(c) The percentage of the total holding of the twenty largest shareholders is:

Ordinary Shares 59.45

B. VOTING RIGHTS

The voting rights attaching to each class of shares are set out below:

(a) Ordinary Shares:

On a show of hands, every member present in person or by proxy shall have one vote and upon a poll each share shall have one vote.

C. SUBSTANTIAL SHAREHOLDERS

Substantial shareholders who have notified the Company as at 30 September 2009, are:

Name	%
Retirewise Capital Pty Ltd and associated entities	26.9
Mandalup Investments Pty Ltd	7.9
Guiness Peat Group plc, Mid-East Minerals Limited and Retford Resources NL	5.3
Duncraig Investment Services Pty Ltd	5.1

SHAREHOLDER INFORMATION

ORDINARY SHARES

The names of the 20 largest security holders of each class of equity security as at 30 September 2009 are listed below:

Name	Number	Issued Shares Held %
Retirewise Capital Pty Ltd	24,939,561	9.09
ANZ Nominees Limited	22,127,558	8.06
Retirewise Capital Australia Pty Ltd	21,196,487	7.72
Mandalup Investments Pty Ltd (Mandalup Discretionary Account)	17,251,007	6.28
Retford Resources NL	14,624,220	5.33
Duncraig Investment Services Pty Ltd	13,343,613	4.86
Peter Ross Sullivan	5,994,977	2.18
Hardrock Capital Pty Ltd	5,168,921	1.88
Mandalup Investments Pty Ltd (Mandalup Super Fund)	4,665,398	1.70
Topsfield Pty Ltd	4,333,333	1.58
James Noel Sullivan	4,288,174	1.56
MD Nicholaeff Pty Ltd (M&N Superfund A/C)	3,762,658	1.37
Geomett Pty Ltd	3,250,000	1.18
Sullivans Garage Pty Ltd	3,105,964	1.13
Tunza Holdings Pty Ltd	3,088,390	1.13
Emily Jessica Pattiwael	2,590,858	0.94
Mervyn Ross and Mary Sullivan	2,510,898	0.91
Donald Anthony Sullivan	2,507,500	0.91
Ingot Capital Management Pty Ltd	2,304,603	0.84
Ingot Capital Investments Pty Limited	2,116,745	0.77
	163,170,865	**59.45**

TENEMENT DIRECTORY

Project	Tenements	Company Interest	Comments
Abednego West	P 39/4934, P 39/4716 – 4723, P 39/4729 – 4738, P 39/4751, P 39/4572, P 39/4496, P 39/4999, P 39/5000 M 39/0825, M 39/0427	Golden Cliffs 100%	Placer Royalty 2% Gold
Duck Hill	E 31/733	Niwest 50%	Murchison Metals 50%
Eucalyptus	M 39/744	NiWest 100%	Anglo 100% Gold Rights plus nickel royalty
	M 39/289, M 39/430 and M 39/344 M 39/665 - 666 and M 39/674 M 39/313 M 39/568, M 39/570, M 39/616	NiWest 100%	Minara Royalties
	M 39/802 -804	NiWest 100%	Minara Royalties Old City 100% gold rights
Hawk Nest	M 38/218 and P 38/3397	GME 100%	
Hepi	M 39/717 – 718, 819	Niwest 100%	
Laverton Downs	E 38/1876	NiWest 100%	Legendre 3% Gold rights
	E 38/2066	Golden Cliffs 100%	
Leonora East	P 37/7185 P 37/5650 – 5656 P 37/6931-6932 P 37/7279-7282 P 37/7425-7432 E 37/871	GME 100% GME/TUNZA GOLDEN CLIFFS GOLDEN CLIFFS GME Golden Cliffs 100%	
Linden	E 39/1375 P 39/4637-4638 P 39/2974 - 2976 converted to MLA 39/500	Golden Cliffs 100% GME 100% GME 10%	 90% Haoma Mining NL
Macey Hill	M 39/845	NiWest 100%	
Mertondale	M 37/591	NiWest 100%	
Mt Margaret	P39/4971-4972	GOLDEN CLIFFS	
Mt Kilkenny	E 37/878 E 39/1107- 1108 E 39/1266-1267 P39/4571, P39/4827 M 39/878 – 879 E 39/990	NiWest 100% GME NiWest NiWest NiWest NiWest	Retford Resources Royalty Retford Resources Royalty Jindalee Royalty
Mt Morgan South	P 39/4639 P 39/4743-4750 E 39/1387	GME Golden Cliffs NiWest	
Murrin Murrin	P 39/4496	Golden Cliffs 100%	
Murrin Murrin (Minara Resources)	M 39/426, 456, 552, 553 and 569	Golden Cliffs 100% rights to non nickel laterite	Nickel laterite royalty 20 cents per tonne
Murrin Murrin North	M 39/758	Niwest 100%	
Waite Kauri	M 37/1216	Niwest 100%	
Wanbanna	M 39/460	NiWest 80%	20% Wanbanna Pty Ltd
Misc Licences	L 39/174, L 37/179, L 31/46, L 37/182, L 39/177, L 39/194	NiWest 100%	Haul Roads, Ground Water Resources

LEGEND:

E: Exploration Licence *P: Prospecting Licence* *PLA: Prospecting Licence Application*
M: Mining Lease *ELA: Exploration Licence Application* *L: Miscellaneous Lease* *MLA: Mining Lease Application*

www.gmeresources.com.au

GME RESOURCES LIMITED

(ABN 62 009 260 315)

NOTICE OF ANNUAL GENERAL MEETING

AND EXPLANATORY STATEMENT

FOR THE MEETING OF SHAREHOLDERS

OF THE COMPANY TO BE HELD AT

THE MT NEWMAN ROOM

THE SHERATON PERTH HOTEL, 207 ADELAIDE TCE, PERTH

AT 10.00 AM ON THURSDAY, 26 NOVEMBER 2009

DATED: 15 OCTOBER 2009

Registered Office:

467 Canning Highway

Como 6152

Western Australia

Telephone: (08) 9313 2144

Facsimile: (08) 9313 2188

GME RESOURCES LIMITED

(ABN 62 009 260 315)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of shareholders of GME Resources Limited will be held on Thursday, 26 November 2009, at 10:00 am at The Perth Sheraton Hotel (Mt Newman Rm) 207 Adelaide Terrace, Perth, in Western Australia to consider and if thought fit to pass the following Resolutions with or without amendment:

AGENDA FOR AGM

ADOPTION OF ANNUAL REPORT

That the Annual Report, including Financial Statements, Directors' declaration and accompanying Reports of the Directors and Auditors for the Financial Year ending 30 June 2009 be approved and adopted.

To consider and if thought fit to pass the following resolutions as ordinary resolutions:

1 RE-ELECTION OF DIRECTOR – MR PETER ROSS SULLIVAN

"That Peter Ross Sullivan, who retires by rotation under Clause 21.3(2) of the Company's Constitution and being eligible, offers himself for re-election, is hereby re-elected as a Director of the Company."

2 RE-ELECTION OF DIRECTOR – MR MICHAEL DELANEY PERROTT

"That Michael Delaney Perrott , who retires by rotation under Clause 21.3(2) of the Company's Constitution and being eligible, offers himself for re-election, is hereby re-elected as a Director of the Company."

3 REMUNERATION REPORT

"That the Remuneration Report as set out in the Company's Annual Report for the year ended 30 June 2009, be adopted."

GENERAL NOTES:

Shareholder letter and explanatory statement

A letter to Shareholders and Explanatory Statement explaining and commenting on the Resolutions the subject of this Notice of Meeting are enclosed with this Notice of Meeting. That letter to Shareholders and Explanatory Statement are deemed to form part of this Notice of Meeting.

Proxy

A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies, to attend and to vote instead of the shareholder. The proxy need not be a member of GME Resources. Proxy Forms must be lodged at the principal office of GME Resources at PO Box 920 Applecross WA 6953 **no later than 48 hours** before the time of the meeting. A Proxy Form accompanies this Notice of Meeting.

Voting Entitlement

The Directors have determined in accordance with Regulation 7.11.37 of the Corporations Regulations that, for the purposes of attending and voting at the meeting, shares will be taken to be held by the registered holders at 10am WST on Tuesday 24 November 2009.

Unless specified otherwise, all Resolutions once passed take effect from the close of the Meeting.

Dated this 15th day of October 2009

BY ORDER OF THE BOARD OF DIRECTORS

MARK PITTS

Company Secretary

GME RESOURCES LIMITED

(ABN 62 009 260 315)

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY STATEMENT

1. RESOLUTION 1 – RE-ELECTION OF PETER ROSS SULLIVAN

"That Peter Ross Sullivan, who retires by rotation under Clause 21.3(2) of the Company's Constitution and being eligible, offers himself for re-election, is hereby re-elected as a Director of the Company."

Clause 21.3(2) of the Constitution of the Company provides that one-third of the Directors must retire at the Annual General Meeting and those Directors are then eligible for re-election. Accordingly Peter Ross Sullivan, having retired as a director, offers himself for re-election as a director in accordance with the Constitution of the Company.

The Directors recommend the approval of Resolution 1 to all Shareholders.

2. RESOLUTION 2 – RE-ELECTION OF MICHAEL DELANEY PERROTT

"That Michael Delaney Perrott, who retires by rotation under Clause 21.3(2) of the Company's Constitution and being eligible, offers himself for re-election, is hereby re-elected as a Director of the Company."

Clause 21.3(2) of the Constitution of the Company provides that one-third of the Directors must retire at the Annual General Meeting and those Directors are then eligible for re-election. Accordingly Michael Delaney Perrott, having retired as a director, offers himself for re-election as a director in accordance with the Constitution of the Company.

The Directors recommend the approval of Resolution 2 to all Shareholders.

3. RESOLUTION 3 – REMUNERATION REPORT

"That the Remuneration Report as set out in the Company's Annual Report for the year ended 30 June 2009, be adopted."

The Remuneration Report is for consideration and adoption by way of non-binding resolution. The Remuneration Report is set out in the GME Resources Limited Annual Report 2009 and is also available on the Company's web site (www.gmeresources.com.au).

PROXY FORM

GME RESOURCES LIMITED

ACN 119 062 261

I/We

being a Member of GME RESOURCES Limited entitled to attend and vote at the Meeting, hereby

Appoint

Name of proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the Annual General Meeting to be held at 10.00 am (WST) on Thursday 26th November 2009 at The Sheraton Perth Hotel, (Mt Newman Rm), 207 Adelaide Terrace, Perth, Western Australia and at any adjournment thereof. If no directions are given, the Chairman will vote in favour of all of the resolutions.

Voting on Business of the General Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Approve the re-election of Mr Peter Sullivan	☐	☐	☐
Resolution 2	Approve the re-election of Mr Michael Perrott	☐	☐	☐
Resolution 3	Adoption of the Remuneration Report	☐	☐	☐

If you do not wish to direct your proxy how to vote, please place a mark in this box ☐

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of the interest. The Chairman will vote in favour of all of the resolutions if no directions are given.

YOU MUST EITHER MARK THE BOXES DIRECTING YOUR PROXY HOW TO VOTE OR MARK THE BOX INDICATING THAT YOU DO NOT WISH TO DIRECT YOUR PROXY HOW TO VOTE, OTHERWISE THIS APPOINTMENT OF PROXY FORM WILL BE DISREGARDED.

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.

Signed this day of 2009

By:

Individuals and joint holders	**Companies (affix common seal if appropriate)**
Signature	Director
Signature	Director/Company Secretary
Signature	Sole Director and Sole Company Secretary

GME RESOURCES LIMITED

ACN 62 009 260 315

Instructions for Completing 'Appointment of Proxy' Form

1. A member entitled to attend and vote at a Meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.

2. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.

3. Corporate shareholders should comply with the execution requirements set out on the proxy form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:

- directors of the company;
- a director and a company secretary of the company; or
- for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a proxy form will not prevent individual shareholders from attending the meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the meeting.

5. Where a proxy form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.

Important Information

Deadline for Receipt of proxies To be effective, a completed proxy form together with the power of attorney (if any) under which it is signed, must be received by the Company at its registered office **not less than 48 hours before** the appointed time of the General Meeting.

Where to send the completed Proxy Form Once the Proxy Form is completed and all details checked by you, the form is to be sent or delivered (by hand, post or facsimile) to:

Office:	PO Box 920 Applecross WA 6953
Facsimile Number:	(08) 9315 5475
Email	enq@gmeresources.com.au

For Further Information If you need any further information about this form or attendance at the Company's General Meeting, please contact Mr Mark Pitts on 08 9316 9100