

QUARTERLY REPORT

31 March 2011



Highlights

Nickel Resource upgrade

Gold drilling results received including **6 metres @ 12.26 and 6 metres @ 6.60 g/t Au at Devon.**

Actively seeking a strategic partner

Capital raising to fund project advancement

Laterite ore in the ascendency

Operations

Nickel Heap Leach Feasibility Study

The Company's "NiWest" nickel laterite project is located in the North Eastern goldfields of Western Australia. The Company is assessing the potential to develop a large scale nickel-cobalt hydrometallurgical processing plant.

The preferred development option is to construct a plant using heap leach technology. This is based on positive studies completed by GME during last 3 years and the successful trials of this process at other nickel laterite projects globally including European Nickel and the Murrin Murrin JV (which is located adjacent to NiWest). The heap leach process has materially lower capital costs and is operationally simpler than the high pressure acid leach process (HPAL) commonly used by other nickel laterite producers.

About GME Resources

GME Resources is a Perth-based nickel exploration company focused on the development of its 100%-owned NiWest Project, located in the Leonora district of Western Australia.

GME has the potential to become a top 10-global nickel producer with its NiWest Project resource totalling over 100 million tonnes of ore containing over 1 million tonnes of nickel – making it one of the most exciting undeveloped laterite nickel projects in Australia.

The bankable feasibility study (BFS) is underway for a project capable of supplying 30,000 to 35,000 tonnes of Nickel metal and 1,400 tonnes of cobalt per year.

Quick Facts

ASX Code	GME
ASX Share Price (A\$)	0.10
Market Cap (A\$m)	30

Contact

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Resource Development & Mine Planning

Following a drilling campaign completed in late 2010 updated resource models were developed by independent adviser Ravensgate Mining Industry Consultants. A total of 64 holes for 1850 metres of Reverse Circulation (RC) drilling were completed over 4 project areas at Hepi, Mt Kilkenny, Mertondale and Waite Kauri during the previous quarter (ASX announcement dated 19/11/2010).

An updated resource was published in April (ASX Announcement dated 6 April 2011) the summary table for the resource is shown below. Individual resource areas achieved increases of up to 18% Nickel metal.

Resource Upgrades April 2011			
Project	COG (%Ni)	Tonnage Change	Contained Metal
Hepi	1.00%	10%	12%
	1.20%	15%	18%
Mt Kilkenny	1.00%	1%	1%
	1.20%	10%	11%
Waite Kauri	1.00%	1%	1%
	1.20%	4%	4%
Mertondale	1.00%	-10%	-11%
	1.20%	-7%	-10%

Table 1 Change in resource tonnes and contained metal. (Change based on comparing the previously released figures calculated in 2008/09)

These higher grade zones allow for potential early ore sales to one of 3 nickel processing plants in the area.

The total NiWest resource calculated at a 0.7%Ni cut-off contains over 1 million tonnes of nickel metal. The resources are reported at various cut off grades (Figure 1 and Table 2). A high percentage of the resource is in the JORC Measured and Indicated categories.

Hepi, Mt Kilkenny and Waite Kauri are three of the more advanced projects in the NiWest Ni-Co laterite portfolio. Mertondale which had a reduction in tonnage is a less well developed project based on wider spaced drilling. Mertondale requires more drilling work to realise its full potential and at present it represents only 2% of the NiWest resource base.

0.7% COG	CATEGORY	Tonnes (Millions)	%Ni	%Co	Ni Metal (tonnes)	Co Metal (tonnes)
TOTAL	Measured	45.86	0.96	0.06	441,692	28,229
	Indicated	32.28	0.92	0.06	295,631	18,502
	Inferred	30.32	0.89	0.06	270,250	19,600
	Combined	108.46	0.93	0.06	1,007,573	66,331

0.8% COG	CATEGORY	Tonnes (Millions)	%Ni	%Co	Ni Metal (tonnes)	Co Metal (tonnes)
TOTAL	Measured	34.22	1.04	0.07	355,198	23,037
	Indicated	22.41	0.99	0.06	222,273	14,189
	Inferred	19.09	0.96	0.06	184,038	11,303
	Combined	75.73	1.01	0.06	761,509	48,529

1.0% COG	CATEGORY	Tonnes (Millions)	%Ni	%Co	Ni Metal (tonnes)	Co Metal (tonnes)
TOTAL	Measured	19.21	1.19	0.08	228,996	15,215
	Indicated	8.47	1.14	0.08	96,299	6,461
	Inferred	5.07	1.14	0.07	57,741	3,786
	Combined	32.74	1.17	0.08	383,036	25,463

1.2% COG	CATEGORY	Tonnes (Millions)	%Ni	%Co	Ni Metal (tonnes)	Co Metal (tonnes)
TOTAL	Measured	7.43	1.37	0.09	101,534	6,681
	Indicated	2.23	1.31	0.09	29,165	1,981
	Inferred	1.29	1.28	0.09	16,591	1,106
	Combined	10.96	1.34	0.09	147,290	10,067

Table 2 Updated global nickel resources for the NiWest Project at varying cut-off grades as reported from the block model.

The block model was developed using MineSight software, the block size used was 20 x 20 x 2 metres. Grades are estimated into the blocks using ordinary kriging.

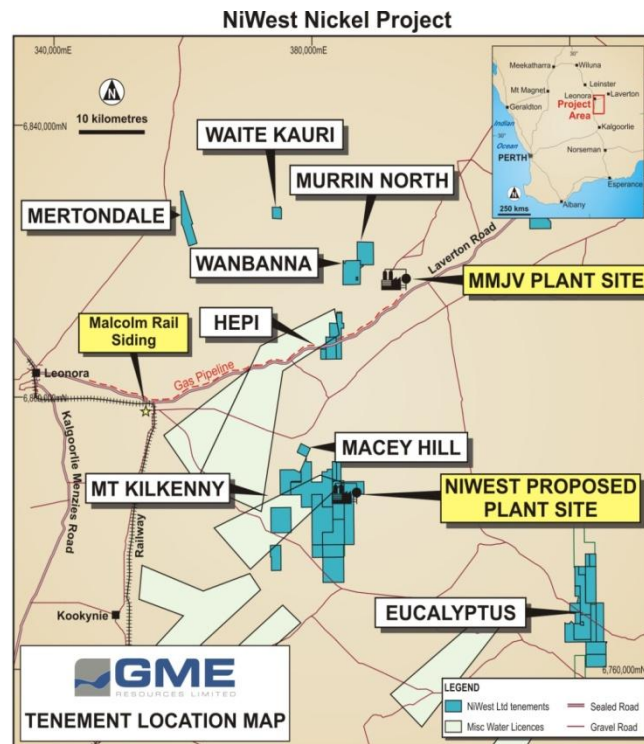


Figure 1 NiWest Project area map.

Gold Tenements

Golden Cliffs NL, a 100% owned subsidiary of GME holds a portfolio of gold tenements located in the North Eastern goldfields of WA. The package represents a sizable tenement position in a very prospective region hosting such projects as the Sons of Gwalia Mine, Granny Smith, Mount Morgans, Navigators' Leonora Project, A1 Minerals' Delta Project and Sunrise Dam.

A number of shallow targets have been identified on granted leases ready for follow up drilling.

The Company commenced a Reverse Circulation (RC) drilling program during the quarter at the highly prospective Devon project located south of Laverton (Figures 2 and 3). The Devon tenement is part of GME's Linden project. Previous drilling has identified a target zone of high grade mineralisation (200,000 to 300,000 tonnes in the range 5 to 7 g/t Gold) with strong continuity over a strike length of 500 metres (see note below). The target zone is relatively shallow and is observed in outcrop and down to 70 metres deep which may be accessible by open pit methods.

The drilling was completed subsequent to the end of the quarter and the results to date are very positive and confirm the target. The Devon project was mined historically and is reported to have produced 10,832 tonnes of ore at an average grade of 19.57g/t Au. Drilling in the period 1980 to 1990 identified a significant zone of continuous mineralisation. This project update report confirms the original drilling and also has added to our understanding and valuation. Some of the significant results are shown below. The Company will shortly initiate work on a resource estimation up-date and associated resource report for the project. The Company is targeting an open pit project which due to its high grade and shallow nature should present a significant economic benefit. The Company envisages developing the open pit and toll treating ore at one of a number of nearby plants possibly as a joint venture pending results of further work including the previously mentioned resource calculation and planned metallurgical and mining studies. (Refer to ASX Announcement 28 April 2011 for a full description of the results)

Significant Drill results Devon Project

- 6 metres @ 6.60 g/t Au from 18 m in DVR206
- 6 metres @ 12.26 g/t Au from 19 m in DVR214
 - Including 3m @ 22 g/t Au
- 2 metres @ 1.77 g/t Au from 8 m in DVR207
- 3 metres @ 2.07 g/t Au from 8 m in DVR208
- 1 metre @ 9.70 g/t Au from 42 m in DVR210
- 4 metres @ 2.45 g/t Au from 19 m in DVR212
- 2 metres @ 4.84 g/t Au from 34 m in DVR212

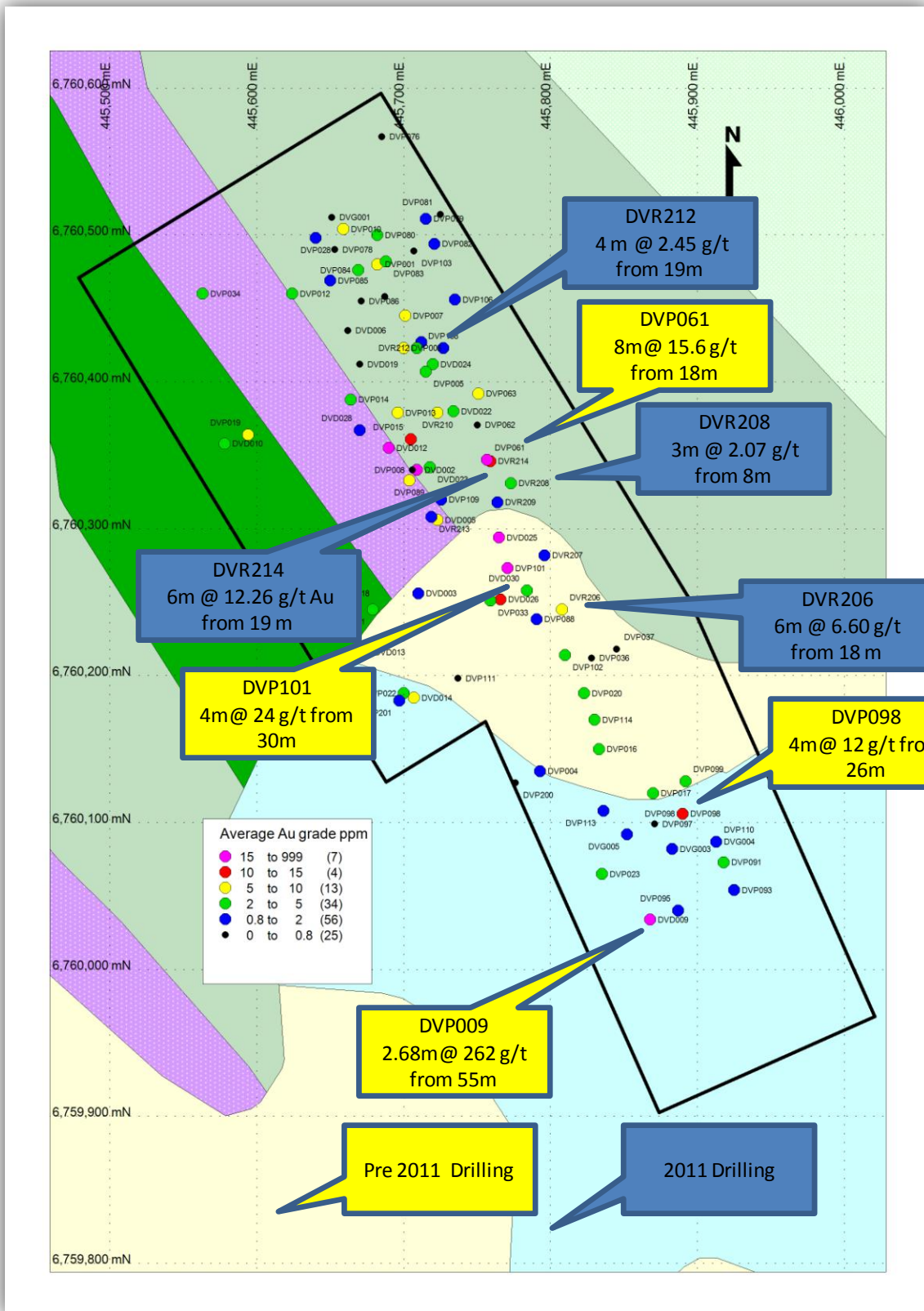


Figure 2 Detailed plan of the Devon project, showing both new and old drilling. Drillhole coding is based on the average of the best intercept in each hole above 0.8 g/t Au.

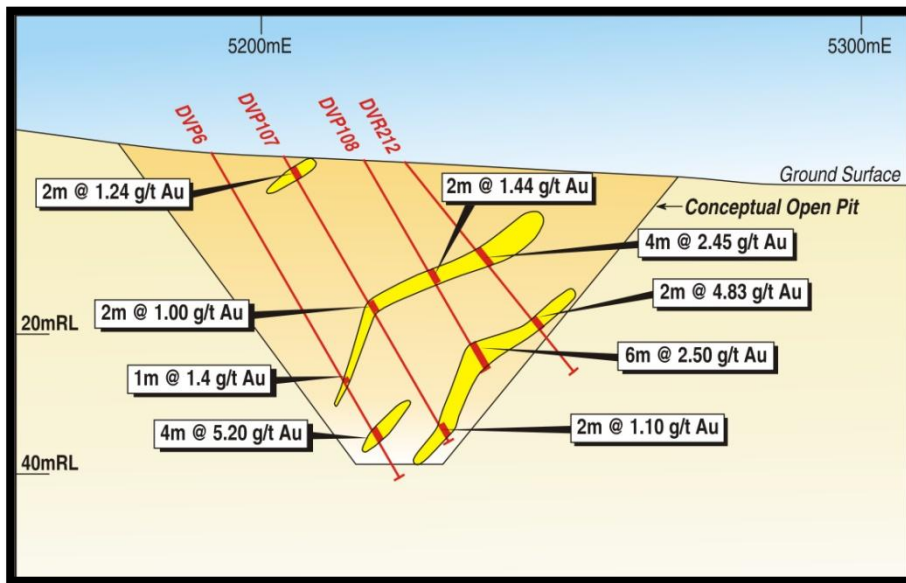


Figure 3 Typical cross section through the Devon project (looking north) plotted on a local grid.

The Exploration Target at Devon is conceptual in nature and there has been insufficient work to date to define a Mineral Resource, and it is uncertain if further exploration will result in the determination of a Mineral Resource under the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, the JORC Code (2004). The Exploration Target is not being reported as part of any Mineral Resource or Ore Reserve.

Corporate Activity

On 18 of April the Company announced a capital raising via a 1:15 non-renounceable entitlement issue at 8 cents per share, to raise up to approximately \$1.61 million. The Company will use the funds to continue the development of the NiWest nickel- cobalt project, its gold projects and for general working capital purposes. Offer booklets together with entitlement and application forms will shortly be mailed to eligible shareholders, the offer closes on the 20th of May. Azure Capital has offered to place any shortfall on a best endeavours basis.

The Company has commenced discussions with a number of potential investors who may play a strategic role in the development of the NiWest nickel cobalt project; the process is being managed by Azure Capital.

Markets

The continued strength of the Nickel price is extremely encouraging and will materially improve the economics of the NiWest project.



Outlook

Strength in the metals prices coupled with resumption in global demand continue to underwrite the development of quality nickel projects. The NiWest project has many advantages including a large resource base, location close to major infrastructure and is supported by sound engineering and test work. Nickel laterite projects are steadily increasing their share of the global nickel market and now represent over 50% of nickel production with a number of companies globally undertaking studies using the heap leach route.

DAVID VARCOE

MANAGING DIRECTOR

Date: 29 April 2011

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Stephen Hyland who is a member of The Australasian Institute of Mining and Metallurgy. Mr Hyland is a Principal Consultant with Ravensgate Minerals Industry Consultants who consults to the Company. Mr Hyland has sufficient experience, which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves. Mr Hyland consents to the inclusion in the report of the matters based on information provided in the form and context in which it appears.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

GME RESOURCES LIMITED

ABN

62 009 260 315

Quarter ended ("current quarter")

31 MARCH 2011

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(327)	(1,184)
(b) development	-	-
(c) production	-	-
(d) administration	(50)	(319)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	8	43
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	107
Net Operating Cash Flows	(369)	(1,353)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(1)	(1)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(370)	(1,354)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(370)	(1,354)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – costs of issue	-	(7)
	Net financing cash flows	-	(7)
	Net increase (decrease) in cash held	(370)	(1,361)
1.20	Cash at beginning of quarter/year to date	967	1,958
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	597	597

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	71
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

NIL

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	250
4.2	Development	100
4.3	Production	-
4.4	Administration	75
Total		425

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	5	15
5.2 Deposits at call	592	952
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	597	967

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	M39/0958 E39/0990 E39/1107 E39/1108 P37/6931	100% 100% 100% 100% 100%	0% 0% 0% 0% 0%
6.2	Interests in mining tenements acquired or increased	None		

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>	NIL			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	302,352,750	302,352,750		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>	NIL	NIL		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	Unlisted Options 5,000,000 5,000,000		<i>Exercise price</i> \$0.13 per option \$0.18 per option	<i>Expiry date</i> 28 February 2012 28 February 2012
7.8 Issued during quarter	-			
7.9 Exercised during quarter	-			
7.10 Expired during quarter	-			
7.11 Debentures <i>(totals only)</i>	-			
7.12 Unsecured notes <i>(totals only)</i>	-			

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 29 April 2011
(Director/Company secretary)

Print name:MARK PITTS.....

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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