

QUARTERLY REPORT

30 September 2011



Highlights

Exploration drilling completed at Eucalyptus results include:

- **22 metres at 1.39 Ni%, 11 m at 1.55 Ni% and 8 m at 1.65 Ni%.**

Diamond drilling completed at Linden results include:

- **2 metres @ 4.57 g/t Au and 4 metres @ 2.49 g/t Au.**

A total of 71 holes for 2,236 metres of Reverse Circulation (RC) drilling were recently completed at the Eucalyptus deposit. The program targeted high grade extensions and infill zones.

A diamond drilling campaign was completed at Linden with positive results. The information gathered adds to the geological understanding of the ore zone and supports the case for an open pit project.

Operations

Nickel Heap Leach 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.

The Company is actively seeking a partner to assist with the development of the NiWest project.

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.

A study is underway for a project capable of supplying 30,000 tonnes of Nickel metal and 1,400 tonnes of cobalt per year.

Quick Facts

ASX Code	GME
ASX Share Price (A\$)	0.09
Market Cap (A\$m)	29

Contact

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Resource Development & Mine Planning

Eucalyptus

A total of 71 holes for 2,236 metres of Reverse Circulation (RC) drilling were recently completed at the Eucalyptus deposit. (ASX Announcement 15 September 2011) The program targeted high grade extensions and infill zones. Some of the better intercepts from the RC drilling program are tabulated below (refer to figures 1 and 2).

Eucalyptus is adjacent to Minara Resources' Murrin East project. Significant results include:

- 22 m at 1.39 Ni% from 2 m in EBC0664
 - Including 5 m at 1.8 Ni%
- 8 m at 1.65 Ni% from 8 m in EBC0631
- 11 m at 1.55 Ni% from 8 m in EBC0628
- 4 m at 1.87 Ni% from 2 m in EBC0658
- 10 m at 1.4 Ni% from 6 m in EBC0629
- 8 m at 1.38 Ni% from 3 m in EBC0612
- 12 m at 1.37 Ni% from 1 m in EBC0634
- 8 m at 1.36 Ni% from 6 m in EBC0649
- 13 m at 1.36 Ni% from 11 m in EBC0630
- 3 m at 1.35 Ni% from 17 m in EBC0627
- 10 m at 1.3 Ni% from 14 m in EBC0632

The Eucalyptus project has a strike length of over 12 km. Ore zones which are flat and very continuous are up to 300m wide and 20 m thick in places. The overburden cover is shallow.

The previously reported JORC resource contains over 31 million tonnes of 1% Nickel and 0.06% Cobalt (0.8% Ni cut off applied). The Company expects these results to add to the quality of this significant resource. A resource recalculation is being undertaken see table 1 for the current resource.

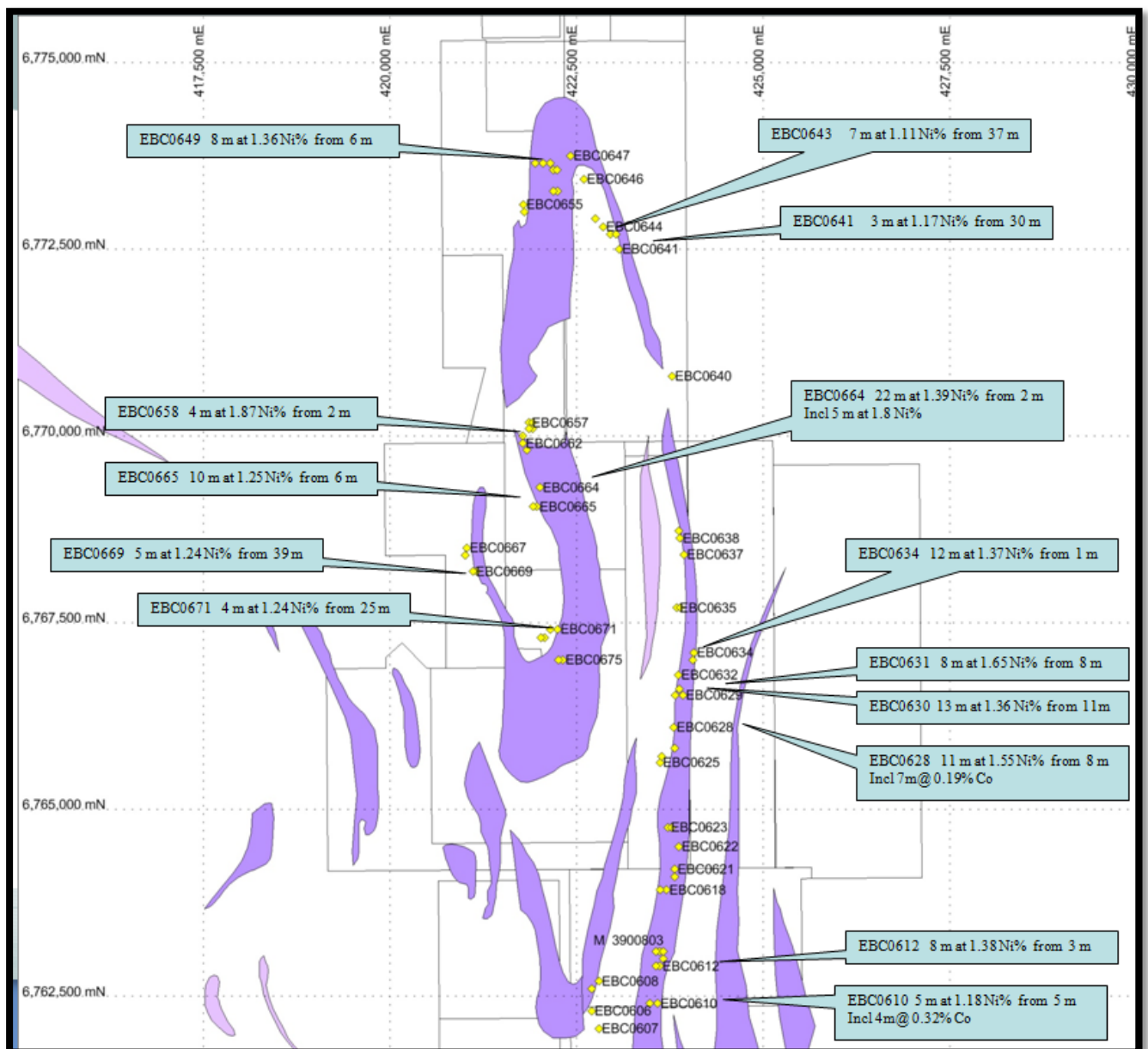


Figure 1 Eucalyptus plan showing new drilling over leases and Ultramafic Interpretation

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 (Table 1). A high percentage of the resource is in the JORC Measured and Indicated categories.

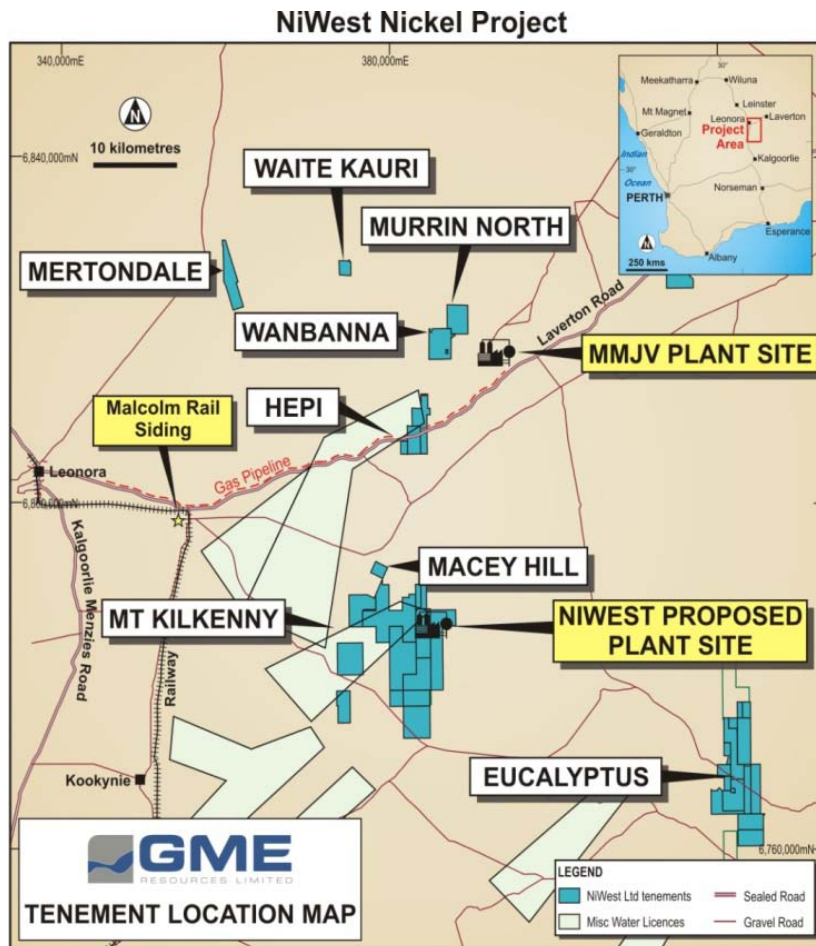


Figure 2 NiWest Project area map.

0.7% COG		Tonnes (Millions)	%Ni	%Co	Ni Metal (tonnes)	Co Metal (tonnes)
CATEGORY						
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		Tonnes (Millions)	%Ni	%Co	Ni Metal (tonnes)	Co Metal (tonnes)
CATEGORY						
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		Tonnes (Millions)	%Ni	%Co	Ni Metal (tonnes)	Co Metal (tonnes)
CATEGORY						
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		Tonnes (Millions)	%Ni	%Co	Ni Metal (tonnes)	Co Metal (tonnes)
CATEGORY						
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 1 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.

Linden

The Company has recently completed a Diamond drilling program at the highly prospective Devon project south of Laverton (Figures 3 and 4). (ASX Announcement 24 October 2011) The drilling was designed to enhance the geological understanding of the project and to also provide additional geotechnical and metallurgical data in support of a shallow open pit operation. The core appeared to be very competent with visible gold in places. 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 4 to 6 g/t Gold) with strong continuity over a strike length of 500 metres (see note below).

Hole_ID	GDA94_51 North	GDA94_51 East	From	To	Width (m)	Gold g/t	(Au)
DVD037	6,760,373	445,704	59	60	1	5.05	
DVD037	6,760,373	445,704	59.3	59.5	0.2	24.99	
DVD037	6,760,345	445,756	63	65	2	4.57	
DVD039	6,760,275	445,777	28	32	4	2.49	

Table 2 The total drilling programme undertaken consisted of 134.2 metres of Diamond core HQ drilling to an average depth of 45 metres. The full core was logged and quarter cut for assaying. Gold analysis was undertaken at KalAssay Labs using 40 Fire Assay (FAA40)

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.

The Linden Project tenements are situated over the Laverton Greenstone Belt within the Central Laverton Domain of the Laverton Tectonic Zone. The Sunrise Dam (>10 million ounces) and Red October (>0.5 million ounces) deposits occur some 15 km and 5 km respectively north of Linden.

The main lode at the Devon mine (P39/4638) consists of banded quartz-sulphide veins.

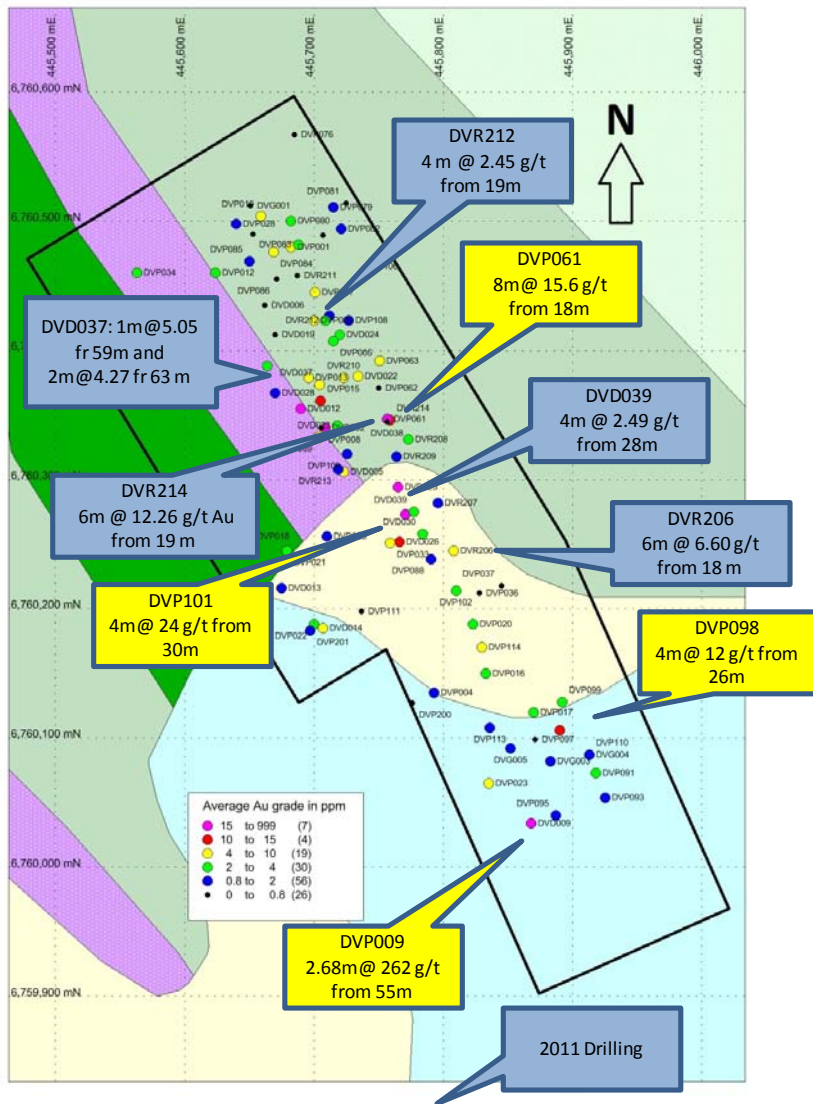


Figure 3 Detailed plan of the Devon project, showing both 2011 and older drilling. Diamond holes DVD037 and DVD039 are shown. Drillhole coding is based on the average of the best intercept in each hole above 0.8 g/t Au.

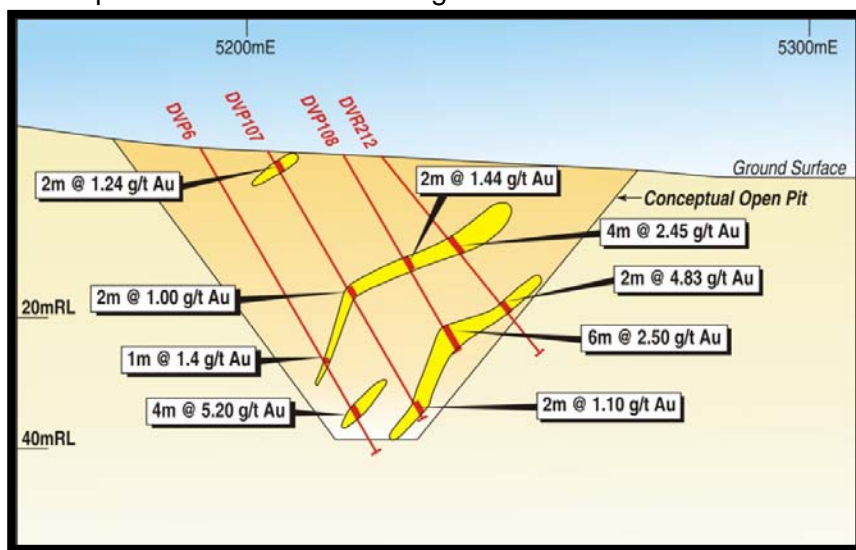


Figure 4 Typical cross section through the Devon project (looking north) plotted on a local grid.

Corporate Activity

The Company continues 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. Price appears to be supported above the cost of producing nickel pig iron which is one of the major sources on nickel globally. This cost is in the range \$9.00 to \$10.00 per pound.



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: 27 October 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 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

GME Resources Ltd

ABN

62 009 260 315

Quarter ended ("current quarter")

30 September 2011

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(466)	(466)
(b) development	-	-
(c) production	-	-
(d) administration	(123)	(123)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	17	17
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(572)	(572)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	1	1
(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	1
1.13 Total operating and investing cash flows (carried forward)	(571)	(571)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(571)	(571)
	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 (provide details if material)	(9)	(9)
	Net financing cash flows	(9)	(9)
	Net increase (decrease) in cash held	(580)	(580)
1.20	Cash at beginning of quarter/year to date	1,757	1,757
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	1,177	1,177

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	(102)
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

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

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	250
4.2 Development	-
4.3 Production	-
4.4 Administration	60
Total	310

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	13	26
5.2 Deposits at call	1,164	1,731
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,177	1,757

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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	100%	100%	0%
	E37/0871 P37/6932 P37/7279 P37/7280 P37/7281 P37/7282 P37/7425 P37/7426 P37/7427 P37/7428 P37/7429 P37/7430 P37/7431 P37/7432			
6.2	Interests in mining tenements acquired or increased	100%	0%	100%
	E39/1607 L37/0205 P39/5149			

+ See chapter 19 for defined terms.

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	NIL			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	322,635,902	322,635,902		
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 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>	-			

+ See chapter 19 for defined terms.

Appendix 5B Mining exploration entity quarterly report

7.12	Unsecured notes (totals only)	-	
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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 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:
(Director/Company secretary)

Date:27 October 2011.....

MARK PITTS

Print name:

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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 Accounting Standards ASX will accept, for example, the use of International Financial Reporting 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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+ See chapter 19 for defined terms.