

QUARTERLY REPORT

31 March 2012



Highlights

Studies on development of the Devon gold project continue

Direct solvent extraction (DSX) test work for Nickel continues

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 the 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\$)	0.05
Market Cap (A\$m)	16

Contact

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Australia

Resource Development & Mine Planning

Nickel

Following up on the recent drilling campaign at Eucalyptus of 2,236 metres of Reverse Circulation (RC) modelling has commenced to update the resource estimate. The previously reported JORC resource for Eucalyptus contains over 31 million tonnes of 1% Nickel and 0.06% Cobalt (0.8%Ni cut off applied). The Company is reviewing the estimation techniques used along with the impact of the new drilling and expects to have an update available shortly.

Nickel laterite columns have been established to produce liquor for sequential direct solvent extraction (DSX) tests involving a number of reagents. The columns will run continuously for approximately 8 weeks to simulate real plant operating conditions. The total programme will take approximately 16 weeks. DSX is envisaged as an enhancement to the overall flowsheet using heap leach as the initial step in the process.



Figure 1 NiWest Project area map.

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 1 Global nickel resources for the NiWest Project at varying cut-off grades as reported from the block model.

Gold

The company recently announced a resource for the Devon deposit (ASX Announcement 11 January 2012), the estimated JORC (2004) resources are based on an Ordinary Kriged block model and using a 1.0 g/t Au cut-off are shown in table 2.

Pit optimisation work has now commenced on the project. Further metallurgical and geotechnical work has now been completed. A Mining Lease application has been made over the relevant tenement.

Classification	Material Tonnes	Grade g/t	Contained Ounces gold
Measured	0	-	0
Indicated	274,345	3.09	27,300
Inferred	210,627	3.37	22,800
Total	484, 971	3.21	50,000

Table 2 Devon Resource details, some rounding has occurred.

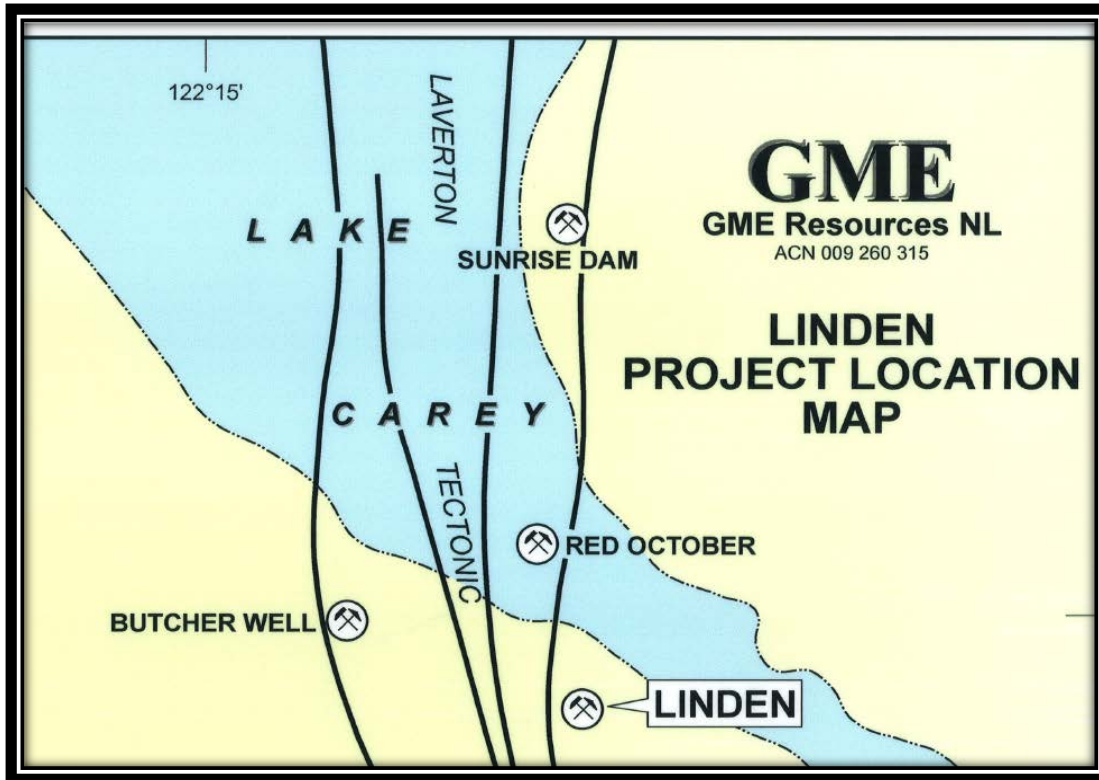


Figure 2 The Devon project is located at Linden south of Laverton, WA.

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.

DAVID VARCOE

MANAGING DIRECTOR

Date: 27 April 2012

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")

31 March 2012

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	(290)	(1,152)
(b) development	-	-
(c) production	-	-
(d) administration	(38)	(222)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	8	36
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	110	120
Net Operating Cash Flows	(210)	(1,218)
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
(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
1.13 Total operating and investing cash flows (carried forward)	(210)	(1,217)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(210)	(1,217)
	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)	(1)	(9)
	Net financing cash flows	(1)	(9)
	Net increase (decrease) in cash held	(211)	(1,226)
1.20	Cash at beginning of quarter/year to date	744	1,759
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	533	533

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	(88)
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

+ See chapter 19 for defined terms.

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	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	150
4.2 Development	
4.3 Production	
4.4 Administration	100
Total	250

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	6	(13)
5.2 Deposits at call	527	757
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	533	744

+ 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	E39/1622	100%	0%
6.2	Interests in mining tenements acquired or increased			

+ 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>	NIL	NIL		
7.8	Issued during quarter	-			
7.9	Exercised during quarter	-			
7.10	Expired during quarter	Unlisted 5,000,000 5,000,000		Exercise Price \$0.13 per option \$0.18 per option	Expiry Date 28 February 2012 28 February 2012
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 /does not* (*delete one*) give a true and fair view of the matters disclosed.



Sign here:
 (Company secretary)

27/04/2012
 Date:

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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