

# Investor Update



- **Devon Gold Mine delivers \$4.043 million profit**
- **21,000 tonnes of low grade ore to be processed by end of October**
- **\$4.25 million cash at bank**
- **Re Starting NiWest Nickel/Cobalt metallurgical test work program with focus on products for Lithium Battery market**

**GME Resources Limited (“GME” or “the Company”)** is pleased to advise it has now received the final payment for all high grade ore processed through Saracen’s Gold Mines Carosue Dam Processing plant. Financial results and mine statistics from the mining program at the Devon Gold Mine are listed below.

The successful development generated \$4.043 million profit (including development costs) in a relatively short period (six months). The operation leaves the Company in a strong financial position with \$4.25 million cash at bank to pursue further initiatives on both its Gold and Nickel assets over the next year.

A remaining parcel of low grade ore amounting to approximately 21,000 tonnes (circa 1.7 g/t) is in the process of being delivered to the Carosue Dam plant site. This parcel is scheduled to be processed before the end of October and is expected to generate additional profit for the operation.

Operational statistics for the development of the mine which straddled the 2016 financial year were as follows:

## **Financial Results**

Total Revenue	\$12.715 M
Mining, Haulage & Processing Costs	\$ 7.245 M
Development Costs	\$ 1.427 M
Operating Surplus	\$ 4.043 M
Ounces Produced	7,398
Operating Cost per ounce	\$ 979
Average Gold Price	\$ 1,718

## **Mining Statistics as Determined by the Ore Processing Agreement**

Total Dry Tonnes Processed	47,032
Average Recovered Grade	5.30 g/t

Final rehabilitation work at the site will commence in November. The Company would like to acknowledge the input from our dedicated geology team, contractors engaged at the site and the operational staff at the Carosue Dam Processing facility.

### **Devon Deeps**

The Devon historical underground mine records show the mine was developed down dip from surface to a depth of 60 metres and the drive on the bottom level was established over 140 metres of strike. The development of the recent open pit to the south (i.e. maximum depth of 42 metres) of the main historical workings has extended the strike of the main lode to over approximately 350 metres.

Historical and recent drilling below the pit and the old workings indicate that the mineralisation remains open at depth. Further drilling is being planned to test the down dip extensions to the lode.

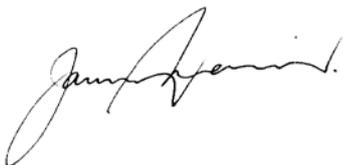
### **NiWest Nickel/Cobalt Laterite Project**

The Company is in the process of finalising a review of the currently suspended metallurgical program. In particular, the Company is examining modifications to the flow sheet to produce a nickel and cobalt sulphate product rather than nickel metal.

The NiWest project is at an advanced stage and is development ready once the flow sheet has been finalised. Previous studies completed support the development of a 20 year heap leach operation. (refer ASX Announcement 11 Dec 2013). The Company believes the NiWest project is uniquely placed to become a major supplier of Nickel and Cobalt Sulphates for the rapidly growing Lithium battery market.

The Company is holding a large quantity of pregnant liquor solution generated from bulk column test work in the earlier stages of the metallurgical program and is looking to fast track the completion of the flow sheet design and restart the metallurgical programme.

The Company looks forward to providing further updates on the NiWest project once the review has been completed.



**JAMIE SULLIVAN**  
**MANAGING DIRECTOR**  
25 October 2016

**Competent Person Statement** *The information in this report that relates to Exploration Results is based on information compiled by Mr Mark Gunther who is a member of The Australasian Institute of Geoscientists. Mr Gunther is a Principal Consultant with Eureka Geological Services. Mr Gunther 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 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Gunther consents to the inclusion in the report of the matters based on information provided in the form and context in which it appears.*

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