NiWest Nickel - Cobalt Project

Mineral Resource Update (JORC 2012)

NiWest Nickel - Cobalt Project Resource (JORC 2012)

- **81 million tonnes at 1.03% Nickel and 0.06% Cobalt**

(Based on resource estimate using 0.8% Nickel Cut off Grade {CoG})

GME Resources Limited ("GME" or "the Company") is pleased to advise that an updated Mineral Resource Estimate, compliant to JORC 2012 has been completed for the Company's 100% owned NiWest Nickel - Cobalt Project.

The resource update highlights the significance of the NiWest Project which is estimated to contain 830,000 tonnes of nickel metal and 52,000 tonnes of cobalt (Refer Table 1). The project is at an advanced stage and hosts one of the largest undeveloped Nickel and Cobalt resources in Australia.

The NiWest Nickel - Cobalt Project is located adjacent to Glencore's Murrin Murrin Nickel operations in the North Eastern Goldfields of WA (Figure 1). The project is situated in a semi arid region that is well serviced with existing infrastructure such as rail, gas pipeline, optic fibre communications, arterial bitumen roads and nearby established mining towns.

Approximately 75% of the Mineral Resource Estimate reports to Measured and Indicated categories. Typical mineralisation lays between surface and 50 metres depth as a sub horizontal layer, 5 - 30 metres in thickness and 100 - 400 metres wide. The combination of low strip ratio open pit mining and predominately free digging oxidised saprolite and smectite mineralisation types provides for a low mining cost development.

Importantly, the metallurgical characteristics of the NiWest mineralisation have demonstrated that nickel and cobalt can be readily extracted using straightforward low capital intensity Heap Leach technology (GME, June 2015 Quarterly Report). Extensive four metre column leach tests and two metre bulk leach tests have consistently supported high percolation rates with target metals (Ni/Co) extractions rates averaging 72% in four metre columns and above 80% in two metre bulk column test programs.

The Company is in the final stages of a metallurgical test program to establish the optimal flow sheet design for a Heap Leaching operation coupled to a Direct Solvent Extraction and Refining facility capable of producing nickel and cobalt sulphates for the Lithium-ion battery market. The program is scheduled to commence continuous piloting of SX solutions from the Mt Kilkenny bulk column test work in March. Batch testing to establish condition parameters for SX test work on Hepi and Eucalyptus solutions is in progress.

Resource Updated to JORC 2012

The updated Mineral Resource Estimate (0.8% Ni CoG) has resulted in an increase of 5.27 million tonnes of which the majority reports to the indicated category (Refer to Table 1). Individual resource estimates for the seven project areas that comprise the NiWest Project at 0.8% and 1% Ni COG are listed in Tables 2 and 3.

Table 1: Mineral Resource Estimate for NiWest Nickel Cobalt Project at 0.8% Ni Cut-off Grade

JORC Category	Million Tonnes	Ni Grade %	Co Grade %	Ni Metal (kt)	Co Metal (kt)
Measured	34	1.07	0.07	362	23
Indicated	28	1.02	0.06	282	17
Inferred	19	0.97	0.06	186	12
Total	**81**	**1.03**	**0.06**	**830**	**52**

Table 2: Mineral Resource Estimate by project area at 0.8% Ni Cut-off Grade

JORC Category	Million Tonnes	Ni Grade %	Co Grade %	Ni Metal (kt)	Co Metal (kt)
Eucalyptus	**34.9**	**1.00**	**0.06**	**349**	**21.7**
Measured	7.5	1.02	0.07	76.2	4.8
Indicated	11.2	1.02	0.06	114.3	6.7
Inferred	16.2	0.98	0.06	158.1	10.0
Mt Kilkenny	**24.2**	**1.08**	**0.07**	**261**	**16.5**
Measured	19.8	1.09	0.07	216.3	13.9
Indicated	2.9	1.02	0.06	29.2	1.7
Inferred	1.5	0.98	0.05	15.2	0.8
Wanbanna*	**10.8**	**1.03**	**0.07**	**111.2**	**7.2**
Measured	0.0	0.0	0.0	0.0	0.0
Indicated	10.1	1.03	0.07	104.2	6.7
Inferred	0.7	0.99	0.07	7.0	0.5
Hepi	**3.4**	**1.09**	**0.06**	**37**	**2.0**
Measured	1.8	1.19	0.06	21.3	1.1
Indicated	1.1	1.01	0.06	11.6	0.7
Inferred	0.5	0.90	0.04	4.4	0.2
Murrin North	**3.7**	**0.97**	**0.06**	**35.7**	**2.3**
Measured	3.4	0.98	0.06	33.2	2.1
Indicated	0.2	0.88	0.05	1.3	0.1
Inferred	0.1	0.86	0.08	1.2	0.1
Waite Kauri	**1.8**	**0.98**	**0.05**	**18**	**1.0**
Measured	1.5	1.01	0.06	14.8	0.91
Indicated	0.3	0.91	0.03	3.2	0.09
Inferred	0.02	0.09	0.02	0.02	0.00
Mertondale	**1.9**	**0.98**	**0.07**	**18.4**	**1.3**
Measured	-	-	-	-	-
Indicated	1.9	0.98	0.07	18.4	1.3
Inferred	-	-	-	-	-
TOTAL	**81**	**1.03**	**0.06**	**830**	**52**
Measured	**34**	**1.07**	**0.07**	**362**	**23**
Indicated	**28**	**1.02**	**0.06**	**282**	**17**
Inferred	**19**	**0.98**	**0.06**	**186**	**12**

Table 3: Mineral Resource Estimate by project area at 1.0 % Ni Cut-off Grade

JORC Category	Million Tonnes	Ni Grade %	Co Grade %	Ni Metal (kt)	Co Metal (kt)
Eucalyptus	**13.3**	**1.19**	**0.07**	**158.7**	**9.7**
Measured	3.3	1.19	0.07	38.9	2.42
Indicated	5.0	1.18	0.07	58.9	3.60
Inferred	5.0	1.21	0.08	60.9	3.78
Mt Kilkenny	**12.7**	**1.24**	**0.08**	**158.3**	**10.1**
Measured	10.9	1.25	0.08	137.4	9.00
Indicated	1.2	1.19	0.06	14.8	0.8
Inferred	0.5	1.15	0.06	6.1	0.3
Wanbanna*	**5.1**	**1.19**	**0.08**	**60.6**	**4.0**
Measured	-	-	-	-	-
Indicated	4.8	1.19	0.08	56.9	3.7
Inferred	0.3	1.16	0.08	3.7	0..3
Hepi	**1.5**	**1.33**	**0.07**	**20.6**	**1.1**
Measured	1.0	1.40	0.07	14.6	0.8
Indicated	0.4	1.22	0.07	5.3	0.3
Inferred	0.1	1.08	0.04	0.7	0.03
Murrin North	**1.25**	**1.14**	**0.07**	**14.0**	**0.9**
Measured	1.24	1.14	0.07	14.2	0.89
Indicated	0.01	1.04	0.04	0.1	0.01
Inferred	-	-	-	-	-
Waite Kauri	**0.58**	**1.23**	**0.08**	**7.0**	**0.46**
Measured	0.52	1.25	0.09	6.49	0.45
Indicated	0.06	1.08	0.02	0.65	0.01
Inferred	-	-	-	-	-
Mertondale	**0.7**	**1.14**	**0.07**	**7.9**	**0.46**
Measured	-	-	-	-	-
Indicated	0.7	1.14	0.07	7.9	0.46
Inferred	-	-	-	-	-
Total	**35.1**	**1.21**	**0.08**	**427**	**27**
Measured	**17.0**	**1.24**	**0.08**	**212**	**14**
Indicated	**12.1**	**1.18**	**0.07**	**144**	**9**
Inferred	**6.0**	**1.20**	**0.07**	**71**	**4**

(All figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding)

(* Wanbanna is held 80% by NiWest Ltd and 20% by Wanbanna Pty Ltd)

Resource consultants, Ravensgate International Pty Ltd, were engaged to update the mineral resource estimate for seven nickel cobalt laterite deposits which comprise the NiWest project based on a mining Cut off Grade of 0.8% nickel (Refer Table 1 & 2). Uniform Conditioning Kriging (UC) grade estimation was used for the four main deposits (Eucalyptus, Mt Kilkenny, Wanbanna and Hepi) to update the resource estimates based on a Selective Mining Unit (SMU) size of 5m X 5m X 2m. The remaining projects were calculated with Ordinary Kriging.

As a basis for the resource evaluation, Ravensgate reviewed previous resource models, data collated from 3,410 drill holes, sample QAQC, classification criteria and relevant documentation to update the Mineral Resource Estimate to conform to JORC Code (2012 Edition).

A summary of the background information used in the resource estimate is set out as follows:

The Mineral Resource Estimate is reported here in compliance with the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' by the Joint Ore Reserves Committee (JORC). Therefore it is suitable for public reporting. The reported Mineral Resources are only those which fall within the 100% owned tenements.

Ownership

The NiWest Nickel Cobalt Project (the Project) is held by NiWest Limited a wholly owned subsidiary of GME Resources Limited. The Project is located in the NorthEastern Goldfields of Western Australia and is comprised of seven separate deposits located on mining leases which are between 30 and 70 kilometres east-northeast of the Leonora town site.

Mertondale M37/591; Waite Kauri M37/1216; Murrin North M39/758; Wanbanna M39/460*; Hepi M39/717, M39/819, M39/718; Mt Kilkenny M39/878, M39/879; Eucalyptus M39/313, M39/802, M39/666, M39/430, M39/568, M39/674, M39/744, M39/289, M39/344.

(Wanbanna is held 80% by NiWest Ltd and 20% by Wanbanna Pty Ltd)*

The Company has carried out a substantial amount of exploration and Mineral Resource Estimation work on the Project since 2004. The tenements are in good standing and no known impediments exist.

Geology and Geological Interpretation

The region is characterised by the north-northeast trending Kilkenny Syncline and the western margin of the north-northwest trending Keith-Kilkenny Tectonic Zone. The Archaean rocks of the basement have undergone low grade metamorphism, with prehnite-pumpelleyite to greenschist facies mineralogy with good preservation of both sedimentary and igneous textures.

Nickel and Cobalt mineralisation is strongly related to the lithology in conjunction with paleo stream channel development. The deposits are all represented as large shallow and flat lying structures.

Across all of the seven deposits making up the Project the majority of nickel mineralisation occurs close to the ultramafic or high magnesium rock types, and possibly preferentially in the vicinity of structural intersections. In many locations, there is a significant amount of observed limonitic clay development in the overall laterite profile. Some minor nickel mineralisation also occurs in the uppermost iron rich laterite zones displaying pisolitic textures.

Mineral Resource estimation domains are based on the underlying geology but also encompass the known extents of significant nickel mineralisation. It is these combined constraining limits that are used to build the individual mineralisation zone domain wireframes used in this update.

Sampling and sub-sampling techniques

Samples used in the Project resource estimate are predominantly obtained from RC drill holes with some samples from DD and RAB drilling.

The number of drill holes and metres used in the resource estimate is listed below. They are RC holes except as indicated:

Hepi	335 holes for 9,504m
Mt Kilkenny	793 holes for 30,681m
Mertondale	372 holes for 7,331m (including 264 RAB)
Waite Kauri	375 holes for 13,075m (including 19 DDH and 27 RAB)
Eucalyptus	1123 holes for 33,526m
Murrin North	214 holes for 9,279m (including 73 RAB)
Wanbanna	198 Holes for 10,906m

Samples were collected at one metre intervals into labelled plastic and pre-numbered calico bags below the cyclone/splitter.

Wireframes based on nickel mineralisation were used to constrain the cobalt estimation and a strong correlation between these two elements has been assumed. Samples are assumed to be representative of the grade of the mineralisation intersected.

Subsampling was carried out as follows: RC samples were riffle split. Wet samples were hand grabbed. Drill cuttings are relatively well homogenised during collection in the cyclone and riffle splitting. The sub-sample collected in the calico bag is considered to be representative of the sample interval. Assay quality control measures in place included field duplicates, but very few standard reference materials were submitted with the samples to the laboratory. The laboratory standards indicate the data is of high accuracy. Field duplicates were collected at a frequency of 1:25 using the same method as the primary sample and show a reasonable correlation to the original sample.

Collection and submission of samples were supervised by company representatives up to the point of transfer to the assay laboratory.

The Ravensgate Mineral Resource Estimation report which is available on the Company's website details drill holes used in the estimation of each deposit in Appendices 2-8; and Drill hole location plans and typical cross sections for each deposit are supplied as figures.

Drilling Techniques

The resource drilling used for the NiWest Nickel Cobalt Project was restricted to the RC drill holes which were of varying drill grid densities. RC drilling for both resource and grade control predominantly utilised 5¼ inch 'face sample' hammer bits.

Some RAB (open hole drilling) was conducted during exploration of the deposit. In some areas, this drilling was used in the geological and domain interpretation. For the Mertondale deposit the grade estimation is based on a high proportion of RAB drilling which has limited the deposit to Indicated Resource classification.

Criteria used for classification

Drilling across all deposits was conducted with mostly vertical holes spaced along section lines running across the deposits.

Line and drill spacing vary over the deposits and are summarised for each deposit below:

Hepi	25 x 50 in main area, then 50 x100 or 100x100 extending to 200m to the north, within the grade control area 12.5 x 12.5m
Mt Kilkenny	50 x 50m (50 x 25m in places) in Central Areas, 100 x 50m to north, 400 x 100m to south
Mertondale	25/50 x 100m in the centre, 50 x 400 to south
Waite Kauri	25 x 50 in south, 50 x 100 to north. Small area 25 x 25m to east
Eucalyptus	100 x 200m with some area of 50 x 100m
Murrin North	25 x 100m in northeast, 50 x 200m elsewhere
Wanbanna	100 x 100m

Drill spacing was sufficient to allow the interpretation of the mineralised zone at the 0.3-0.5% Ni and variogram ranges generally exceed the drill spacing in most of the resource areas. Locally the depth of mineralisation is variable and there is higher confidence in the local resource estimate where drill spacing is closer.

Classification of resources relies on the underlying sample and data quality used to build the respective resource block models. The classification methodology used estimation quality values stored for each block estimate.

Measured blocks were typically 0-50m from the nearest composite, estimated with a minimum of 15 composites and a kriging variance of 0-0.05.

Indicated blocks were 50-80m from the nearest composite, estimated with 15-20 composites and a kriging variance of 0.05-0.1.

Inferred blocks were greater then 80m from the nearest composite, estimated with more than 21 composites and a kriging variance greater than 0.1.

The individual block classification quality value applied in the original block estimation was reviewed in the resource update and coherent zones of classification were interpreted and applied to the resource estimate.

Factors used to guide the classification were: ‘Kriging variance’, ‘number of sample composites available within block vicinity’ and ‘distance of block from nearest composite’.

In addition to these the lower confidence in the RAB drilling at Mertondale precluded the allocation of Measured classification at this deposit.

The Mineral Resource Estimate appropriately reflects the view of the Competent Person.

Sample Analysis method

Samples were sent to Ultra Trace Laboratories in Canning Vale, Perth for analysis. The samples were dried at 105°C, milled and an aliquot taken for XRF analysis. The pulp was fused using a Li borate flux mixture with a Na nitrate oxidant. The fusion disks were analysed using wavelength dispersive X-ray fluorescence spectrometry for the following suite of elements:

- Ni, Co, Mg, Fe, Mn, Zn, Cu, Al, Cr, As, Ca, Si and Cl

Limited external standards and analysis at an alternative laboratory were used, however internal laboratory standards and repeats demonstrated a high level of accuracy and precision in the analysis.

Ravensgate have checked 10% of the digital assay data to original assay certificates, with no errors detected. No other independent check of significant intersections was conducted.

Estimation methodology

During November – December 2016 Ravensgate updated the NiWest Project Mineral Resource estimates to JORC 2012 standards. In all cases the previous resource model was used as the basis for the update.

For three of the deposits (Mertondale, Waite Kauri and Murrin North) the previous grade modelling was not updated. The review was limited to assessment of data QAQC, resource classification, extrapolation and updating the documentation.

Four of the deposits (Hepi, Mt Kilkenny, Eucalyptus and Wanbanna) were re-estimated using uniform conditioning (UC) for the nickel grades using a smaller (5m x 5m x 2m) SMU block size to improve the estimate of the expected recoverable resource.

Medsystem software using ordinary kriging (OK) was used to estimate nickel grade for Mertondale, Waite Kauri and Murrin North deposits and cobalt and other elements for all deposits.

Vulcan software using uniform conditioning (UC) was used to estimate the nickel grade for Hepi, Mt Kilkenny, Eucalyptus and Wanbanna deposits.

In addition, Nickel estimates were conducted using OK for the Hepi, Mt Kilkenny, Eucalyptus and Wanbanna Deposits to check the UC grade estimate.

A OK estimate into a block size of 5 x 5 x 2m was conducted within the grade control drilling area at the Hepi deposit. This OK estimate compared closely to the UC estimate in this area. The OK estimate at the 20 x 20x 2m block size underestimated the tonnage and nickel grade for this area.

The Mineral Resource Estimates assume that cobalt is recovered in addition to nickel. UC was not applied to cobalt grades and recovered cobalt grade is expected to be higher than estimated by OK. In addition to Ni and Co, the following elements were estimated Mg, Fe, Mn, Zn, Cu, Al, Cr, As, Ca, Si and Cl.

Drill spacing in the areas of significant potentially economic mineralisation is predominantly 50 x 50 m or 50 x 25m. The block size of 20 x 20 x 2m used for estimation was approximately half the drill spacing. Sample search dimensions were 160 x 80 x 30m to 220 x 100 x 25m.

Rather than a top cut, a restricted search was applied to a limited number of high grade nickel composites. The restriction used was at the 98th or 99th percentile level for each structural area. The restricted search was to help minimise the chance of over-estimation of grades, particularly in sparsely drilled areas.

An assumed value for bulk density of 1.25 tonnes / cubic metre was used to calculate the resource.

GME Resources personnel believe this is a reasonable or slightly conservative value and is based on typical mine production of similar nearby deposits.

The assumed bulk density applied to the resource estimate allows for expected voids and porosity of the saprolite material. An assumed and possibly conservative global bulk density of 1.25 tonnes / cubic metre has been adopted and used for all mineralised material.

Cut-off grade and basis for selection

Cut-off grades of 0.8% Ni are expected to produce an economic product using heap leaching extraction. Higher cut-off of 0.9 - 1.0%Ni may be required for processing using pressure leaching.

Mineral Resource Estimates for each deposit are shown at a range of cut-off grades in the detailed report prepared by Ravensgate. (refer to the URL at the end of this announcement)

Mining and metallurgical methods

Based on the shallow depth of the resource, open pit mining with excavator, loader and truck fleet with minimal blasting was assumed. The expected SMU is 5 x 5 x 2m using small to medium sized mining equipment.

Metallurgical test work was conducted and focused on a lower cost heap leaching (HL) operation. Test work completed on HL extraction gave nickel extraction greater than 74% and up to 84% in some cases. 220 bottle roll tests were completed to identify any difficult mineralisation types and high acid consumption. Two 50kg samples were tested for agglomeration, heap stacking, hydrodynamic and geotechnical properties which concluded that heaps up to 6m in height could be used. Bulk sample column test work of 1.5m3 of material has resulted in a calculate nickel extraction of 80%.

Resource estimates are global. UC does not define the exact location within the block panel where the material above cut-off is located. A small proportion (200,000t) of the Hepi Deposit where grade control drilling has been conducted can be considered as a local estimate. Mining has not been conducted on any deposit to allow comparison of the resource to mine production.

A small area of grade control drilling in the proposed trial pit area at Hepi Deposit is the closest information to mine production. In this area, the UC estimate compares well to the grade control prediction, OK underestimates contained nickel by approximately 4%.

Details pertaining to JORC table 1, sections 1 to 3 are listed in Appendix 1.

The full Mineral Resource Estimate Report prepared by Ravensgate is available on the Company's website at http://www.gmeresources.com.au/downloads/resource/gme-resource-201702.pdf

The Company looks forward to providing further updates on activities at the NiWest Project as work programs progress.

JAMIE SULLIVAN
MANAGING DIRECTOR
21 February 2017

Competent Person Statement

NiWest Nickel Cobalt Project

The information in this report that relates to Mineral Resources is based on information compiled by Mr David Reid of Ravensgate Resource Consultants. Mr Reid is a fellow of The Australasian Institute of Mining and Metallurgy. Mr Reid is a Principal Consultant with Ravensgate Minerals Industry Consultants who consults to the Company. Mr Reid 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 Mineral Resources and Ore Reserves". Mr Reid consents to the inclusion in the report of the matters based on information provided in the form and context in which it appears.

The information in this announcement that relates to Lateritic Nickel and Cobalt Processing / Engineering and related operating and capital cost estimates is based on information reviewed by Mr David Readett (B.E. Met Eng., FAusIMM, CP (Met)). Mr Readett is an independent consulting engineer working through a Company known as MWorx Pty Ltd. Mr Readett is a Chartered Professional Metallurgical Engineer and has 25 years of relevant experience in this area of work. Mr Readett consents to the inclusion in this announcement of the matters based on information provided by him and in the form and context in which it appears.

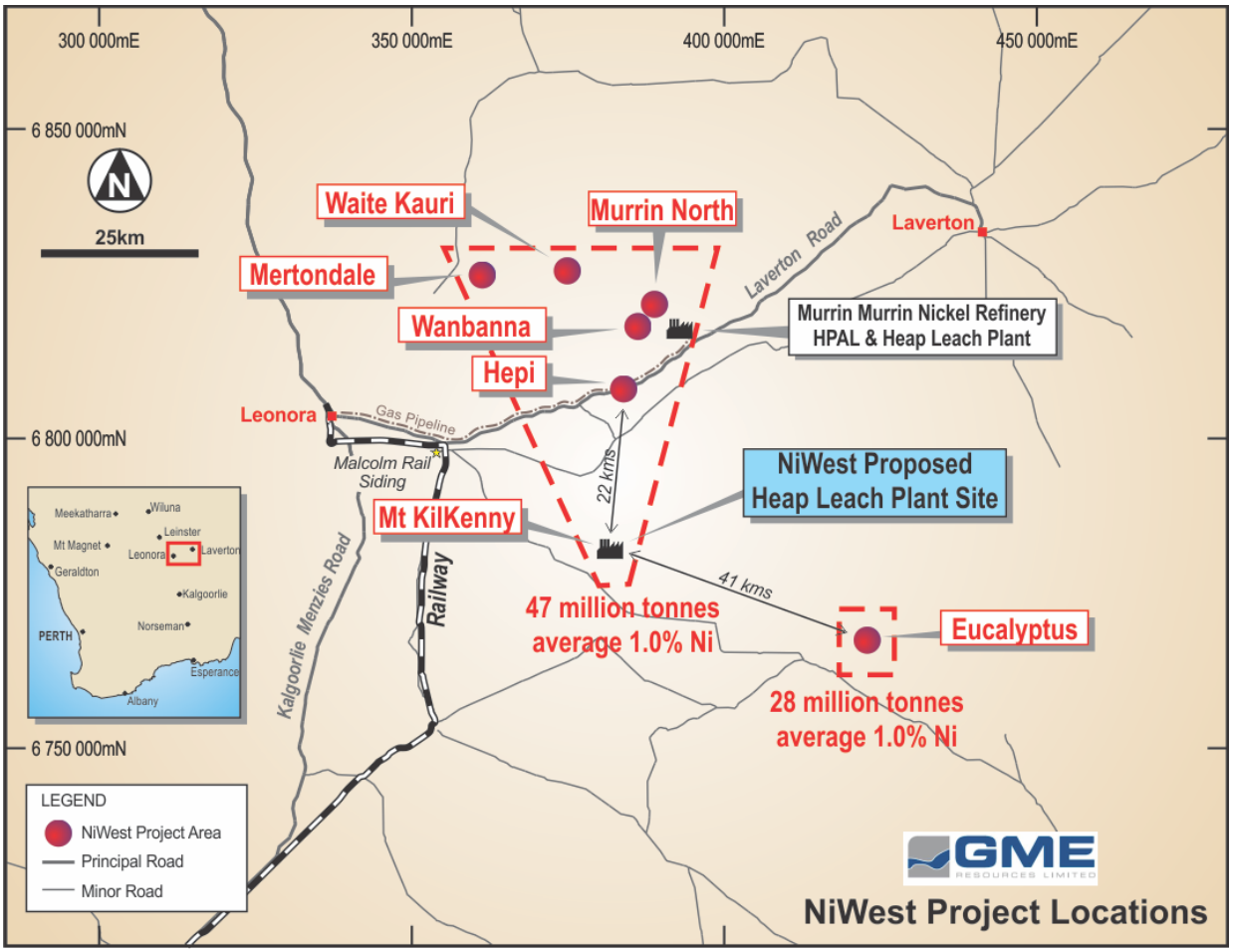

Figure 1 NiWest Nickel - Cobalt Project location plan

APPENDIX 1 JORC Table 1 (Sections 1, 2 &3)

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Part	Criteria	Comment
1-1	**Sampling Techniques**	Samples used in the NiWest Project resource estimate and mostly obtained from RC drill holes with some samples from DD and RAB drilling. The number of drill holes and metres used in the resource estimate is listed below. They are RC holes except as indicated: Hepi 335 holes for 9,504m Mt Kilkenny 793 holes for 3,0681m Mertondale 372 holes for 7,331m (including 264 RAB) Waite Kauri 375 holes for 13,075m (including 19 DDH and 27 RAB) Eucalyptus 1123 holes for 33,526m Murrin North 214 holes for 9,279m (including 73 RAB) Wanbanna 198 Holes for 10,906m
		Samples were collected at one metre intervals into labelled plastic and pre-numbered calico bags below the cyclone/splitter. Duplicate samples were inserted at a rate of 4%.
		Wireframes based on nickel mineralisation were used to constrain the cobalt estimation and a strong correlation between these two elements has been assumed. Samples are assumed to be representative of the grade of the mineralisation intersected.
	Drilling Techniques	The resource drilling used for the NiWest Projects was restricted to the RC drill holes which were of varying drill grid densities. RC drilling for both resource and grade control predominantly utilised 5¼ inch 'face sample' hammer bits. Some RAB (open hole drilling) was conducting during exploration of the deposit. In some areas, this drilling was used in the geological and domain interpretation. For the Mertondale deposit the grade estimation is based on a high proportion of RAB drilling which has limited the deposit to Indicated Resource classification.
1-2	**Drill Sample Recovery**	Drill sample recovery (visual) was recorded and is generally good.
		RC drilling was observed by Ravensgate during the site visit and no sample recovery issues were identified.
		Due to shallow nature of mineralisation all drill sampling was located above the water table, therefore no sample bias issues are expected. No comparison of drill recovery and sample grade was conducted.
1-3	**Logging**	All geological logging of RC chips was carried out rigorously, according to the guidelines and codes previously defined by 'Anaconda' and as presented in the current edition of GME's NiWest Project 'Field Geologists procedures'. The drilling carried out in the 'Pre-2004' and 'Post-2004' drilling programs referred to a similar set of older logging codes that have subsequently been updated and adopted for general use in the currently used logging reference procedures.
		Logging is qualitative in nature. GME geologists logged drilling samples for Sample Colour, Hardness, Sample Recovery Texture, Moisture Content, Clay-Type and finally Rock-Type.
		Drill holes were logged and sampled for the entire hole depth.
1-4	**Sub-Sampling Techniques and**	Drilling was primarily RC. Limited diamond drilling conducted on Waite Kauri deposit used RC precollar in the mineralised zone.

Part	Criteria	Comment
	Sample Preparation	RC samples were riffle split. Wet samples were hand grabbed.
		Drill cuttings are relatively well homogenised during collection in the cyclone and riffle splitting. The sub-sample collected in the calico bag is considered to be representative of the sample interval.
		Assay quality control measures in place included field duplicates, but very few standard reference materials were submitted with the samples to the laboratory. The laboratory standards indicate the data is of high accuracy.
		Field duplicates were collected at a frequency of 1:25 using the same method as the primary sample and show a reasonable correlation to the original sample. Twelve twin holes were completed at Mt Kilkenny Deposit. Comparison between individual samples showed a high variability which was attributed to short scale grade variation.
		Sub-sampling techniques have not been documented. Grain size of mineralisation is expected to be fine and grades are in the percentage range therefore large sample sizes are not required for samples to be representative.
1-5	**Quality of Assay Data and Laboratory Tests**	Samples taken from the Mt Kilkenny RC drilling programs were sent to Ultra Trace Laboratories in Canning Vale, Perth for analysis. The samples were dried at 105°C, milled and an aliquot taken for XRF analysis. The pulp was fused using a Li borate flux mixture with a Na nitrate oxidant. The fusion disks were analysed using wavelength dispersive X-ray fluorescence spectrometry for the following suite of elements: • Ni, Co, Mg, Fe, Mn, Zn, Cu, Al, Cr, As, Ca, Si and Cl
		No geophysical or spectral scanning was conducted.
		Very limited external standards and analysis at alternative laboratory were of insufficient numbers to make concussive assessment of assay accuracy. Internal laboratory standards and repeats demonstrated at high level of accuracy and precision in the analysis.
1-6	**Verification of Sampling and Assaying**	Ravensgate have checked 10% of the digital assay data to original assay certificates, will no errors detected. No other independent check of significant intersections was conducted.
		Twelve twin holes were completed at the Mt Kilkenny deposit. Comparison between individual samples showed a high variability which was attributed to short scale grade variation.
		The drilling was logged in the field on paper sheets which were subsequently entered on excel spreadsheets. Drilling data is stored in an Access database with Datashed as a front end management system. During the main drill out period in 2007 & 2008 the database was managed externally by Maxwell Geoservices. Maxwell are consultants who provide industry best practices with data validation to ensure data integrity.
		No assay adjustment was made.
1-7	**Location of Data Points**	Completed drill hole collar locations were surveyed by Wild Total Station instrument, traversing from survey control stations which were located using differential GPS with a reported accuracy of (+/-) 0.1 metre accuracy. Downhole survey of hole deviation was not conducted. Any deviation in the short holes would not materially affect the modelling of the mineralised zones.
		The NiWest Project used MGA94-51 grid coordinates.
		Digital Terrain Elevation surface models were generated using ground collar point surveys of at least 0.1 metres in surface elevation accuracy.

Part	Criteria	Comment
1-8	**Data Spacing and Distribution**	Drill was conducted with mostly vertical holes spaced along section lines running across the deposits. Line and drill spacing vary over the deposits and are summarised for each deposit below: Hepi: 25 x 50 in main area, then 50 x100 or 100x100 extending to 200m to the north, with grade control area 12.5 x 12.5m Mt Kilkenny: 50 x 50m (50 x 25m in places) in Central Areas, 100 x 50m to north, 400 x 100m to south Mertondale: 25/50 x 100m in the centre, 50 x 400 to south Waite Kauri: 25 x 50 in south, 50 x 100 to north. Small area 25 x 25m to east Eucalyptus: 100 x 200m with some area of 50 x 100m Murrin North: 25 x 100m in northeast, 50 x 200m elsewhere Wanbanna: 100 x 100m
		Drill spacing was sufficient to allow the interpretation of the mineralised zone at the 0.3-0.5% Ni and variogram ranges generally exceed the drill spacing in most of the resource areas. Locally the depth of mineralisation is variable and there is higher confidence in the local resource estimate where drill spacing is closer. This is reflected in the classification criteria where the following nominal distance to a drill hole was applied to blocks. Measured blocks less than 50m Indicated blocks less than 80m
		RC drilling was sampled and assayed over 1 metre intervals. RAB samples appear to be assayed using 4 metre intervals. 2m composites were used to estimate grade for nickel, cobalt and other elements for Murrin North deposit. 1m composites were used to estimate nickel grade for Hepi, Mt Kilkenny, Mertondale, Waite Kauri, Eucalyptus and Wanbanna Deposits.
1-9	**Orientation of Data in Relation to Geological Structure**	Almost all of the drill holes were drilled vertically (-90°). Most of the observed regolith zonation which controls the mineralisation shows strong horizontal zonation. Vertical drill holes are the best orientation to test the horizontal zones.
		Vertical drilling cross cuts the horizontal mineralised zones. This aligns the closest spaced sampling with the orientation of the greatest grade variability leading to the best representation of the mineralisation grade.
1-10	**Sample Security**	Collection and submission of samples were supervised by company representatives up to the point of transfer to the assay laboratory.
1-11	**Audits or Reviews**	Ravensgate conducted a review of drilling and sampling process in 2007. All resource estimates were peer reviewed by Ravensgate.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Part	Criteria	Comment
2-1	**Mineral Tenement and Land Tenure Status**	The NiWest deposits are located on Mining Leases as detailed below: Mertondale M37/591 Waite Kauri M37/1216 Murrin North M39/758 Wanbanna M39/460 Hepi M39/717, M39/819, M39/718 Mt Kilkenny M39/878 M39/879 Eucalyptus M39/313, M39/802, M39/666, M39/430, M39/568, M39/674, M39/744, M39/289, M39/344 Any royalty or other interests in tenements are detailed below: Mt Kilkenny 1.5% Net smelter royalty (NSR) to Retford Resources Pty ltd Eucalyptus M39/313, M39/344, M39/340 $200,000 PA to Murrin Murrin East Pty Ltd Excalyptus M39/430, M39/666, M39/674 1.5% Net Profit and 1% NSR to Glen Murrin Pty Ltd Eucalyptus M39/744 50c per tonne of ore processed to Franco Nevada Wanbanna 20% Direct Interest by Wanbanna Pty Ltd
		All tenements (granted Mining Leases) are in good standing with tenure until 2029 for nearly all tenements.
2-2	**Exploration Done by Other Parties**	Prior to 2004 exploration at Eucalyptus was conducted by Aberfoyle.
2-3	**Geology**	Mineralisation is strongly related to both lithology and the main features providing fluid pathways for mineral phase 'transport' and deposition particularly in conjunction with paleo stream channel development. The observed nickel and cobalt mineralisation is very closely related to the presence of ultramafic rock. Mineral Resource estimation domains are based on the underlying geology but also encompass the known extents of significant nickel mineralisation. It is these combined constraining limits that are used to build the individual mineralisation zone domain wireframes used in this study. The majority of nickel mineralisation occurs close to the ultramafic or high magnesium rock types, and possibly preferentially in the vicinity of structural intersections. In many locations, there is a significant amount of observed limonitic clay development in the overall laterite profile. Some minor nickel mineralisation also occurs in the uppermost iron rich laterite zones displaying pisolitic textures.
2-4	**Drill Hole Information**	Details of drill holes used in the estimation of each deposit are listed in Appendices 2-8 in the Mineral Resource Estimation report.
2-5	**Data Aggregation Methods**	No top cut was applied to the grade estimation. Restricted search distance was applied to high nickel grade outliers to limit their spatial influence.
		2m composites were used to estimate grade for nickel, cobalt and other elements for Murrin North deposit. 1m compositing was used for nickel grade estimation for all the deposits with the exception of Murrin North.
		Metal equivalent values were not used.

Part	Criteria	Comment
2-6	**Relationship Between Mineralisation Widths and Intercept Lengths**	The intersection widths are effectively the width of mineralisation.
		The majority of drill holes are vertical and intersect the strongly horizontal mineralised zones at 90°.
		Down hole lengths approximate to true width of mineralisation.
2-7	**Diagrams**	Drill hole location plan and typical cross section for each deposit are supplied as figures in the Mineral Resource Estimate report.
2-8	**Balanced Reporting**	Mineral Resources have been defined for all GME NiWest Deposits. No exploration results are being reported.
2-9	**Other Substantive Exploration Data**	Metallurgical test work was conducted and focused on a lower cost heap leaching (HL) operation. Test work completed on HL extraction gave nickel extraction greater than 74% and up to 84% in some cases. 220 bottle roll tests were completed to identify any difficult mineralisation types and high acid consumption. Two 50kg samples were tested for agglomeration, heap stacking, hydrodynamic and geotechnical properties which concluded that heaps up to 6m in height could be used. Bulk sample column test work of 1.5m^3 of material has resulted in a calculated nickel extraction of 80%. Six tonnes of pregnant liquid is awaiting the next stage of test work.
2-10	**Further Work**	Current work is focused on Metallurgical test work. In particular test work is targeting the amenability of the mineralisation to processing by heap leach.
		Extents of mineralisation is well defined for the majority of the deposits. There are no plans to extend drilling at this stage. Infill drilling will be required on some deposits to support future mining studies but is not expected to significantly change the resource estimate but will improve the local accuracy and confidence in the resource estimates.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in Section 1, and where relevant in Section 2, also apply to this section.)

Part	Criteria	Comment
3-1	**Database Integrity**	All of the drill hole data is stored in an Access database and then transferred to Ravensgate's FoxPro databases for validation prior to being extracted and loaded to MineSight® and Vulcan for use in modelling and subsequent resource estimation.
		The data stored in the Access and FoxPro database system must conform to an established set of validation rules regarding relationships between collar, survey and assay information. Similarly, MineSight® performed a set of validations when data was loaded to drill hole and survey files, testing such relationships as overlapping of intervals, gaps between intervals, consistency of maximum interval values in collar, survey and assay fields etc. Errors, such as inconsistent surveys or assay intervals, were identified during this process and rectified. The corrected data was then completely re-loaded into MineSight®.
3-2	**Site Visits**	Stephen Hyland was the competent person and conducted the initial resource estimates for the NiWest deposits. A site visit was included as part of this initial resource estimate in 2007.
		There has been no drilling or field activity since the initial resource estimates were completed. No site visit was undertaken as part of the resource update by David Reid due to the absence of any new information.
3-3	**Geological Interpretation**	In the zones of mineralisation there is a strong correspondence between the regolith and mineralisation profile of adjacent drill holes. This provides reasonable confidence in the underlying geological control interpreted for the mineralisation.
		The lithological coding surfaces developed were predominantly directed toward separating and defining the main saprolite or nickel bearing material and the underlying basement serpentinite (ultramafic) unit. These surfaces have been defined using the available geologic logging in conjunction with some assay data which was where necessary to help with deciding on material type boundary positions. Mineralisation domains based on nickel grades have been used to constrain estimates for other elements.
		Limited areas of close spaced grade control drilling at the Hepi deposits have demonstrated the geological interpretation based on the initial wide spaced drilling is reasonably robust. The close spaced drilling highlighted that locally the base of mineralisation is highly variable.
		Mineral Resource estimation domains are based on the underlying geology but also encompass the known extents of significant nickel mineralisation. It is these combined constraining limits that are used to build the individual mineralisation zone domain wireframes used in this study.
		Mineralisation is strongly related to both lithology and the main features providing fluid pathways for mineral phase 'transport' and deposition particularly in conjunction with paleo stream channel development. The observed nickel and cobalt mineralisation is very closely related to the presence of ultramafic rock.
3-4	**Dimensions**	Mineralisation occurs as horizontal tabular zones located near the surface (0-20m depth) and typically 20-50m thick. The extents of mineralisation for each deposit is variable and summarised below Hepi 2,200m x 300m (up to 600m) Mt Kilkenny 5,000m x 200-400m Mertondale discontinuous over 3,500m x 50-100m Waite Kauri 1,500m two zones 200m wide

Part	Criteria	Comment
		Eucalyptus 12,000m two zones 100-400m wide Murrin North two zones 2,150 x 200m and 1,250 x 150m Wanbanna 2,100 x 450m
3-5	**Estimation and Modelling Techniques**	Mineralised domains were based on a 0.3-0.5% Ni threshold to constrain the estimation. Sub areas within this domain were used to vary the orientation of the mineralisation. Medsystem software using ordinary kriging (OK) was used to estimate nickel grade for Mertondale, Waite Kauri and Murrin North deposits and cobalt and other elements for all deposits. Vulcan software using uniform conditioning (UC) was used to estimate the nickel grade for Hepi, Mt Kilkenny, Eucalyptus and Wanbanna deposits. OK was used due to the relatively low coefficients of variation observed for available sample composites for each domain area. However the large block size was expected to underestimate the recoverable resource at higher economic cut off and UC was used to improve the estimation of the recoverable resource. A small number of higher grade outlier nickel composites had restricted search neighbourhood applied to restrict the spatial influence on the grade estimate.
		Nickel estimates were conducted using OK for the Hepi, Mt Kilkenny, Eucalyptus and Wanbanna Deposits to check the UC grade estimate. A OK estimate into a block size of 5 x 5 x 2m was conducted within the grade control drilling area at Hepi deposit. This OK estimate compared closely to the UC estimate in this area. The OK estimate at the 20 x 20x 2m block size underestimated the tonnage and nickel grade for this area.
		Mineral resource estimates assume that cobalt is recovered in addition to nickel. UC was not applied to cobalt grades and recovered cobalt grade is expected to be higher than estimated by OK.
		In addition to Ni and Co, the following elements were estimated Mg, Fe, Mn, Zn, Cu, Al, Cr, As, Ca, Si and Cl.
		Drill spacing in the areas of significant potentially economic mineralisation is predominantly 50 x 50 m or 50 x 25m. The block size of 20 x 20 x 2m used for estimation was approximately half the drill spacing. Sample search dimensions were 160 x 80 x 30m to 220 x 100 x 25m.
		It was assumed that the mining selectivity would be higher than the selectivity implied by the estimation block size. Uniform conditioning using an SMU size of 5 x 5 x 2m to obtain a more realistic resource estimate at the expected mining selectivity and cut-off grade was applied to four of the deposits.
		Cobalt (and other elements) estimated using nickel domains.
		Mineralised domains were defined using nominal lower cut-off's of ~0.30-0.50% Ni at NiWest project areas. Grade estimation was constrained to blocks and composites located within this domain.
		Rather than a top cut, a restricted search was applied to a limited number of high grade nickel composites. The restriction used was at the 98th or 99th percentile level for each structural area. The restricted search was to help minimise the chance of over-estimation of grades, particularly in sparsely drilled areas.
		Validation included: Visual checking of interpolation block model results in plan and section; Comparison of composite versus block statistics globally – (Using 'De-Clustering' Analysis); and UC estimates were compared globally to OK estimates over a range of nickel cut-off grades.
3-6	**Moisture**	Tonnages are estimated on a dry basis.

Part	Criteria	Comment
3-7	**Cut-off Parameters**	Cut-off grades of 0.8% Ni are expected to produce an economic product using heap leaching extraction. Higher cut-off of 0.9 - 1.0%Ni may be required for processing using pressure leaching.
3-8	**Mining Factors or Assumptions**	Based on the shallow depth of the resource, open pit mining with excavator, loader and truck fleet with minimal blasting was assumed. The expected SMU is 5 x 5 x 2m using small to medium sized mining equipment.
3-9	**Metallurgical Factors or Assumptions**	Metallurgical test work was conducted and focused on a lower cost heap leaching (HL) operation. Test work completed on HL extraction gave nickel extraction greater than 74% and up to 84% in some cases. 220 bottle roll tests were completed to identify any difficult mineralisation types and high acid consumption. Two 50kg samples were tested for agglomeration, heap stacking, hydrodynamic and geotechnical properties which concluded that heaps up to 6m in height could be used. Bulk sample column test work of 1.5m^3 of material has resulted in a calculate nickel extraction of 80%. Six tonnes of pregnant liquid is awaiting the next stage of test work.
3-10	**Environmental Factors or Assumptions**	GME has approval from the Department of Mining and Petroleum (DMP) to undertake a trial mine and heap leach operation at the Hepi deposit. Environmental and process water studies have been completed at Mt Kilkenny and Hepi deposits. A spreadsheet "Summary of Ethnographic and Archaeological Surveys at NiWest Projects.xlsx" was provided by GME which summarises the results of various ethnographic and archaeological surveys of the NiWest project areas. A number of sites are recorded as known or identified; there are recommendations on sites to be avoided and where consent is required.
3-11	**Bulk Density**	No measurement of bulk density had been carried out at any of the NiWest project areas. An assumed value of 1.25 tonnes / cubic metre was used to calculate the resource. GME Resources personnel believe this is a reasonable or slightly conservative value and is based on typical mine production of similar nearby deposits.
		The assumed bulk density applied to the resource estimate allows for expected voids and porosity of the saprolite material.
		An assumed and possibly conservative global bulk density of 1.25 tonnes / cubic metre has been adopted and used for all mineralised material.
3-12	**Classification**	Classification of resources relies on the underlying sample and data quality used to build the respective resource block models. The classification methodology used estimation quality values stored for each block estimate. Measured blocks were typically 0-50m from the nearest composite, estimated with a minimum of 15 composites and a kriging variance of 0-0.05. Indicated blocks were 50-80m from the nearest composite, estimated with 15-20 composites and a kriging variance of 0.05-0.1. Inferred blocks were greater then 80m from the nearest composite, estimated with more than 21 composites and a kriging variance greater than 0.1. The individual block classification quality value applied in the original block estimation was reviewed in the resource update and coherent zones of classification were interpreted and applied to the resource estimate.
		Factors used to guide the classification were: 'Kriging variance', 'number of sample composites available within block vicinity' and 'distance of block from nearest composite'. In addition to these the lower confidence in the RAB drilling at Mertondale precluded the allocation of Measured classification at this deposit.
		The Mineral Resource estimate appropriately reflects the view of the Competent Person.

Part	Criteria	Comment
3-13	**Audits or Reviews.**	Ravensgate conducted a review of drilling and sampling process in 2007. All resource estimates were peer reviewed by Ravensgate.
3-14	**Discussion of Relative Accuracy / Confidence**	Overall the resulting interpolated block models are considered to be relatively robust for most of the project areas because of relatively good drilling density and corresponding mineralisation distribution understanding. The relatively low variance nature of the nickel mineralisation throughout the deposit areas also allowed for reliable grade interpolation and associated resource estimation. Relative accuracy could not be quantified, but it is expected that the resource will have the following global ranges; Measured +/- 10% Indicated +/- 15% Inferred +/- 30%
		Resource estimates are global. UC does not define the exact location within the block panel where the material above cut-off is located. A small proportion (200,000t) of the Hepi Deposit where grade control drilling has been conducted can be considered as a local estimate.
		Mining has not been conducted on any deposit to allow comparison of the resource to mine production. A small area of grade control drilling in the proposed trial pit area at Hepi Deposit is the closest information to mine production. In this area, the UC estimate compares well to the grade control prediction, OK underestimates contained nickel by approximately 4%.