

GME Resources Limited

(ABN 62 009 260 315)

Interim Report **31 December 2018**

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CORPORATE DIRECTORY

DIRECTORS

Chairman

Peter Ross SULLIVAN BE, MBA

Managing Director

James Noel SULLIVAN FAICD

Director

Peter Ernest HUSTON B. Juris, LLB (Hons), B.Com, LLM

COMPANY SECRETARY

Mark Pitts B.Bus FCA

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Unit 5, 78 Marine Terrace

Fremantle WA 6160

Telephone: (08) 9336 3388

Facsimile: (08) 9315 5475

Web Site: www.gmeresources.com.au

AUDITORS

HLB Mann Judd

Chartered Accountants

Level 4, 130 Stirling Street

Perth WA 6000

SHARE REGISTRY

Computershare Registry Services Pty Ltd

Level 11

172 St George's Terrace

Perth WA 6000

GPO Box D182

Perth WA 6840

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SECURITIES EXCHANGE LISTING

The Company's shares are quoted on the Official List of Australian Securities Exchange Limited Ticker code: GME

STATE OF REGISTRATION

Western Australia

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity (Group) for the half year ended 31 December 2018.

Directors

The names of directors who held office during or since the end of the half year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Peter Ross Sullivan	Non-Executive Chairman
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James Noel Sullivan	Executive Director
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Peter Ernest Huston	Non-Executive Director
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Review of Operations

NiWest Nickel Laterite Project

GME released the results of the Pre-Feasibility Study (“PFS”) on its 100%-owned NiWest Nickel-Cobalt Project in August 2018.

Overview

- Head grades average 1.05% nickel and 0.07% cobalt for the first 15 years. Opportunity to extend high-grade profile through potential conversion of Inferred Resources and/or inclusion of other known deposits.
- Initial 27-year operating life at a nameplate processing capacity of 2.4Mtpa. Projected steady-state nickel and cobalt recoveries of 79% and 85% respectively.
- Total production of 456kt nickel (in nickel sulphate) and 31.4kt cobalt (in cobalt sulphate). Average annual production of 19.2kt nickel and 1.4kt cobalt over the first 15 years.
- Ung geared post-tax NPV_{8%} of A\$791M and internal rate of return (IRR) of 16.2% (equivalent pre-tax values of A\$1,390M and 21.2%, respectively). Payback period (pre-tax) of 4.4 years.
- Average cash unit operating cost (post royalties and cobalt credits) of US\$3.24/lb contained nickel (US\$3.00/lb for the first 15 years).
- Globally attractive pre-production capital intensity of sub-US\$20 per pound of average annual nickel production based on forecast pre-production capital expenditure of A\$966M.
- Projected free cashflow (post all capital expenditure and tax) of A\$3,342M.

Engagement with potential strategic partner/offtake parties

GME held broad ranging discussions with numerous potential strategic partner/offtake parties during the reporting period. This process is ongoing and targeted at a comprehensive and robust assessment of the broad range of potential ownership, development and funding structures currently available to GME and the NiWest Project.

GME intends to continue these discussions prior to commencing a Definitive Feasibility Study (DFS) on the NiWest Project.

Environmental Baseline Study

GME engaged the environmental consultancy Sustainability Pty Ltd to conduct environmental baseline studies at the proposed Mt Kilkenny mining / processing plant and Hepi mining areas. These deposits form the basis for the majority of the orefeed scheduled for the first 10 years of operation.

The studies will be completed in the June quarter 2019.

Value Engineering

Opportunities identified during PFS

The PFS (August 2018) has identified a number of value engineering opportunities that have the potential to improve NiWest project economics significantly. A preliminary review of the mining schedule and recent column leach testing is planned to be progressed over coming months.

Inferred Resources (within the Mt Kilkenny, Eucalyptus and Hepi deposits) **and other known deposits** (Mertondale, Murrin North, Wanbanna, Waite Kauri) not considered in the PFS: Potential further drilling and incorporation to extend initial high-grade feed life and/or overall operating life.

DIRECTORS' REPORT

Preliminary evaluation of an orefeed schedule incorporating the other known deposits highlights the opportunity to pursue higher grade during the initial years, greater flexibility to optimise the orefeed blend to the plant, etc.

Heap leaching optimisation: *Reduce evaporation losses, reduce acid consumption, reduce size of acid plant, reduce heap leach pad footprint, reduce DSX volumetric flow.*

A review of the results of the 2m and 4m column testing conducted during the first half of 2018 highlighted the opportunity to optimise the relationship between the heap height, acid consumption and metal recovery taking into consideration the sulphur price (and hence sulphuric acid cost), metal prices and exchange rate. Additional testing to further evaluate this relationship will be conducted either prior to or as part of the DFS.

Gold Projects

GME entered into a Sale and Purchase Agreement (the "**Agreement**") with Matsa Resources Limited, ("**Matsa**") in respect of 100% interest in the Devon Gold Mine and associated tenements.

Terms of the Agreement provided for the sale by GME and its wholly owned subsidiary Golden Cliffs NL of the Devon Gold Mine and all associated tenements for A\$100,000 and a 1% Net Smelter Royalty on all future production from the tenements (relative to their level of ownership). Matsa had the option to pay A\$50,000 in cash and A\$50,000 by way of Matsa ordinary shares based on the VWAP of Matsa securities over the 5 trading days prior to settlement.

Results from Operations

The Company recorded a net profit (after tax) for the half year to 31 December 2018 of \$269,498 (December loss 2017: \$180,208).

Exploration and evaluation expenditure of \$1,289,576 was capitalised in the half year to 31 December 2018, (year ended 30 June 2018: \$2,786,206).

Subsequent Events

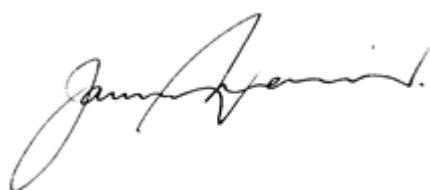
On 13 December 2018 the Company announced to ASX that it had entered into a Sale and Purchase Agreement with Matsa Resources in respects of the Company's 100% interest in the Devon Gold Mine and its associated tenements. The sale was finalised by the payment of \$100,000 by Matsa Resources to GME on 9 January 2019. Part of the consideration includes a 1% smelter royalty payable to GME on all future production from the Devon tenements.

Other than the above, no other matters or circumstances have arisen since the end of the reporting period which significantly affected or may significantly affect the Group's operations, the results of those operations or the Group's state of affairs in future financial years.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 5 and forms part of this directors' report for the half-year ended 31 December 2018.

This report is signed in accordance with a resolution of the Board of Directors.



James Sullivan

Managing Director

Dated this 14th day of March 2019

Competent Person Statements

NiWest Nickel Project

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Mark Gunther, a consultant to the Company. Mr Gunther is a Principal Consultant with Eureka Geological Services. Mr Gunther is a fellow of The Australasian Institute of Mining and Metallurgy. 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 2004 Edition of the "Australasian Code for Reporting of 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. This Mineral Resource Estimate has not been updated to JORC 2012 on the basis that the available information has not materially changed since the last review.

The information in this report that relates to 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.

Gold Projects

The information in this report that relates to Mining and Exploration Results is based on information compiled by Mr Mark Gunther who is a member of The Australasian Institute of Geoscientists. 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.

Forward-Looking Statements

Certain statements made in this report, including, without limitation, those concerning the scoping study, contain or comprise certain forward-looking statements regarding GME Resources Limited's (GME) exploration operations, economic performance and financial condition. Although GME believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in metals prices and exchange rates and business and operational risk management. GME undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.

The Company notes that an inferred resource has a lower level of confidence than an indicated or measured resource. The Company believes that based on the geological nature of its deposits and the work done over several years by its Competent Person that there is a high degree of probability that the inferred resources will upgrade to indicated resources with further exploration work.

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of GME Resources Limited for the half-year ended 31 December 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.



Perth, Western Australia
14 March 2019

M R Ohm
Partner

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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2018**

		Consolidated	
	Notes	31 Dec 2018	31 Dec 2017
		\$	\$
Continuing Operations			
Other income	2	102,034	104,543
Management and consulting expenditure		(37,000)	(42,000)
Depreciation and amortisation expense		(1,587)	(1,074)
Exploration write-off	5	(215,187)	-
Other expenses		(285,543)	(241,677)
Profit/(loss) before income tax		(437,283)	(180,208)
Income tax benefit		706,781	-
Net profit/(loss) for the half year		269,498	(180,208)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the half year		269,498	(180,208)
		0.06	(0.04)
Basic earnings/(loss) per share (cents)			
		0.06	(0.04)
Diluted earnings/(loss) per share (cents)			

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018**

		Consolidated	
	Notes	31 Dec 2018	30 June 2018
		\$	\$
Assets			
Current Assets			
Cash and cash equivalents		587,113	1,735,454
Trade and other receivables	3	61,783	97,007
Prepayments		34,628	33,162
Assets held for sale	4	77,915	-
Total Current Assets		761,439	1,865,623
Non-Current Assets			
Trade and other receivables	3	17,290	17,286
Plant and equipment		2,313	2,793
Intangible assets		-	1,107
Deferred exploration and evaluation expenditure	5	31,084,753	30,088,279
Total Non-Current Assets		31,104,356	30,109,465
Total Assets		31,865,795	31,975,088
Liabilities			
Current Liabilities			
Trade and other payables	6	164,693	543,484
Total Current Liabilities		164,693	543,484
Total Liabilities		164,693	543,484
Net Assets		31,701,102	31,431,604
Equity			
Issued capital	7	55,340,239	55,340,239
Accumulated losses		(23,639,137)	(23,908,635)
Total Equity		31,701,102	31,431,604

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2018**

	Consolidated		
	Issued Capital	Accumulated Losses	Total Equity
	\$	\$	\$
Balance at 1 July 2017	53,370,931	(22,824,248)	30,546,683
Loss for the period	-	(180,208)	(180,208)
Total comprehensive loss for the period	-	(180,208)	(180,208)
Balance at 31 December 2017	53,370,931	(23,004,456)	30,366,475
Balance at 1 July 2018	55,340,239	(23,908,635)	31,431,604
Profit for the period	-	269,498	269,498
Total comprehensive income for the period	-	269,498	269,498
Balance at 31 December 2018	55,340,239	(23,639,137)	31,701,102

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2018**

	Consolidated	
	31 Dec 2017	31 Dec 2017
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(403,931)	(260,669)
Exploration and evaluation expenditure	(1,553,225)	(1,180,713)
Interest received	2,034	4,543
Facilitation fee received	100,000	100,000
R&D tax refund received	706,781	-
Net cash inflow/(outflow) from operating activities	(1,148,341)	(1,336,839)
Cash flows from investing activities		
Purchase of non-current assets	-	-
Net cash inflow/(outflow) from investing activities	-	-
Cash flows from financing activities		
Net cash inflow/(outflow) from financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	(1,148,341)	(1,336,839)
Cash and cash equivalents held at the start of the period	1,735,454	2,226,722
Cash and cash equivalents held at the end of the period	587,113	889,883

The accompanying notes form part of these financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The condensed interim consolidated financial statements (the interim financial statements) are general purpose interim financial statements and have been prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

The interim financial statements comprise the condensed interim financial statements for the Group. For the purposes of preparing the interim financial statements, the Company is a for-profit entity. The interim financial statements were authorised for issue on 14th March 2019.

The interim financial statements do not include full disclosures of the type normally included in the full financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report. It is recommended interim financial statements be read in conjunction with the full financial report for the year ended 30 June 2017 and any public announcements made by GME Resources Limited and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted are consistent those of the previous financial year and corresponding half-year. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The interim financial statements have been prepared on a historical cost basis. Cost is based on fair value of the consideration given in exchange for assets.

For the purpose of preparing the interim financial statements, the half-year has been treated as a discrete reporting period.

(b) Adoption of new and revised standards

Standards and Interpretations applicable to 31 December 2018

In the period ended 31 December 2018, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period.

AASB 9 Financial Instruments

AASB 9 replaces AASB 139 *Financial Instruments: Recognition and Measurement* and makes changes to a number of areas including classification of financial instruments, measurement, impairment of financial assets and hedge accounting model.

Financial instruments are classified as either held at amortised cost or fair value.

Financial instruments are carried at amortised cost if the business model concept can be satisfied.

All equity instruments are carried at fair value and the cost exemption under AASB 139 which was used where it was not possible to reliably measure the fair value of an unlisted entity has been removed. Equity instruments which are non-derivative and not held for trading may be designated as fair value through other comprehensive income (FVOCI). Previously classified available-for-sale investments, now carried at fair value are exempt from impairment testing and gains or loss on sale are no longer recognised in profit or loss.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The AASB 9 impairment model is based on expected loss at day 1 rather than needing evidence of an incurred loss, this is likely to cause earlier recognition of bad debt expenses. Most financial instruments held at fair value are exempt from impairment testing.

The Group has applied AASB 9 retrospectively with the effect of initially applying this standard recognised at the date of initial application, being 1 July 2018 and has elected not to restate comparative information. Accordingly, the information presented for 31 December 2017 and 30 June 2018 has not been restated.

There is no material impact to profit or loss or net assets on the adoption of this new standard in the current or comparative years.

In addition, the Directors have determined that there is no material impact of the other new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Group accounting policies.

Standards and Interpretations in issue not yet effective

The Directors have also reviewed all Standards and Interpretations in issue not yet effective for the period ended 31 December 2018. As a result of this review the Directors have determined that there is no material impact of the Standards including AASB 15, and Interpretations in issue not yet effective on the Company and, therefore, no change is necessary to Group accounting policies.

(c) Significant accounting judgements and key estimates

The preparation of half-year financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2018.

(d) Going Concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

As disclosed in the financial statements, the Group recorded an operating profit of \$269,498, and a cash outflow from operating activities of \$1,148,341 for the period ended 31 December 2018 and at balance date, had net current assets of \$596,746.

The directors have reviewed the Group's financial position and forecast cash flows and have assessed that the Group will be required to raise additional funds by way of issuing equity to continue its exploration program as forecast. The directors reasonably expect that the Group will be able to raise additional funds as required to meet future costs associated with its operating and exploration activities for at least the next 12 months but is able to curtail expenditure if required. The directors are therefore of the opinion that the use of the going concern basis is appropriate in the circumstances.

Should the Group be unable to raise the additional funds required, there is a material uncertainty that may cast significant doubt as to whether the Group will be able to continue as a going concern and therefore whether it will be able to realise its assets and extinguish its liabilities in the normal course of business.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2018**

NOTE 2: LOSS/PROFIT FROM ORDINARY ACTIVITIES

	Consolidated	
	31 Dec 2018	31 Dec 2017
	\$	\$
The following revenue items are relevant in explaining the financial performance for the half-year:		
(a) Other income		
Facilitation fee	100,000	100,000
Interest received	2,034	4,543
	102,034	104,543

NOTE 3: TRADE AND OTHER RECEIVABLES

	Consolidated	
	Half year ended 31 Dec 2018	Year ended 30 June 2018
	\$	\$
Current		
GST refundable	59,459	78,999
Other	2,324	18,008
	61,783	97,007
Non-current		
Bonds	17,290	17,286

NOTE 4: ASSETS HELD FOR SALE

	Consolidated	
	Half year ended 31 Dec 2018	Year ended 30 June 2018
	\$	\$
Capitalised exploration expenditure - Devon Gold Project	77,915	-

NOTE 5: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

Balance at beginning of the period	30,088,279	28,450,995
Direct expenditure	1,289,576	2,786,206
	31,377,855	31,237,201
Less reallocation of tenements to assets held for sale	(77,915)	-
Less expenditure written off	(215,187)	(1,148,922)
Total deferred exploration and evaluation expenditure	31,084,753	30,088,279

The ultimate recoupment of the above deferred exploration and evaluation expenditure is dependent on the successful development and commercial exploitation or alternatively sale of the respective areas at amounts sufficient to recover the expenditure.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2018**

NOTE 6: TRADE AND OTHER PAYABLES

	Consolidated	
	Half year ended 31 Dec 2018	Year ended 30 June 2018
	\$	\$
Trade payables and accruals	164,693	543,484
	164,693	543,484

NOTE 7: ISSUED CAPITAL

<i>Ordinary shares</i>		
Issued and fully paid	55,340,239	55,340,239
	No.	\$
<i>Movements in ordinary shares on issue</i>		
At 1 July 2018	482,140,229	55,340,239
At 31 December 2018	482,140,229	55,340,239

NOTE 8: DIVIDENDS

No dividends were paid or declared during the period.

NOTE 9: SEGMENT REPORTING

The Group has adopted AASB 8 *Operating Segments* which requires operating segments to be identified on the basis of internal reports about components of the Group that are reviewed by the chief operating decision maker in order to allocate resources to the segment and assess its performance. The Board of GME Resources Limited reviews internal reports prepared as consolidated financial statements and strategic decisions of the Group are determined upon analysis of these internal reports. During the period, the Group operated predominantly in one business and geographical segment being the resources sector in Australia. Accordingly, under the 'management approach' outlined only one operating segment has been identified and no further disclosure is required in the notes to the consolidated financial statements.

TNOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2018

NOTE 10: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There has been no change in contingent liabilities or contingent assets since the last annual reporting date.

NOTE 11: FINANCIAL INSTRUMENTS

The group has a number of financial instruments which are not measured at fair value in the statement of financial position. The Directors consider that the carrying amount of these financial instruments are a reasonable approximation of their fair value.

NOTE 12: EVENTS AFTER BALANCE DATE

On 13 December 2018 the Company announced to ASX that it had entered into a Sale and Purchase Agreement with Matsa Resources in respects of the Company's 100% interest in the Devon Gold Mine and its associated tenements. The sale was finalised by the payment of \$100,000 by Matsa Resources to GME on 9 January 2019. Part of the consideration includes a 1% smelter royalty payable to GME on all future production from the Devon tenements.

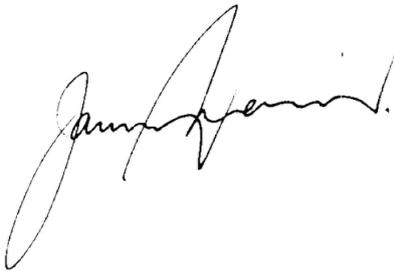
Other than the above, no other matters or circumstances have arisen since the end of the reporting period which significantly affected or may significantly affect the Group's operations, the results of those operations or the Group's state of affairs in future financial years.

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 6 to 14 are in accordance with the Corporations Act 2001 including:
 - a. Complying with the Accounting Standards, Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b. giving a true and fair view of the Group's financial position as at 31 December 2018 and of its performance for the half-year then ended.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors, made pursuant to s303(5) of the Corporations Act 2001.

A handwritten signature in black ink, appearing to read 'James Sullivan', written in a cursive style.

James Sullivan

Director

Dated this 14th day of March 2019

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of GME Resources Limited

Report on the Condensed Interim Financial Report

Conclusion

We have reviewed the accompanying interim financial report of GME Resources Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2018, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of GME Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of matter - material uncertainty related to going concern

We draw attention to Note 1(d) in the interim financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
14 March 2019



M R Ohm
Partner