GME RESOURCES LTD
ACN 009 260 315

Troika House, Level 2
129 Melville Parade, COMO
Western Australia 6152

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COMO WA 6952

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24 September 2004

BY EMAIL

The Companies Announcement Office
Australian Stock Exchange Ltd
Level 10, Exchange Centre
20 Bond Street
SYDNEY NSW 2000

Dear Sirs

ANNUAL REPORT

Please find attached a copy of the Annual Report for GME Resources Limited for the year ended 30 June 2004, duly signed by a director and the auditors.

Yours faithfully

NIELS J KROYER
Company Secretary

Enc: Annual Accounts for 2004

GME

GME RESOURCES LTD

ABN 62 009 260 315

ANNUAL REPORT

2004

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1. CORPORATE DIRECTORY

DIRECTORS

Chairman
Michael Delaney PERROTT B.Com

Managing Director
Peter Ross SULLIVAN BE, MBA

Technical Director
Geoffrey Mayfield MOTTERAM B.MetE(Hons), M.AusIMM

COMPANY SECRETARY

Niels J KROYER

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Level 2, Troika House
129 Melville Parade
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Como WA 6952

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Facsimile:	(08) 9474 2281
E-Mail:	enq@gme-resources.com.au
Web Site:	www.gme-resources.com.au

AUDITORS

HLB Mann Judd
Chartered Accountants
15 Rheola Street
West Perth WA 6005

SHARE REGISTRY

Computershare Registry Services Pty Ltd
Level 2, Reserve Bank Building
45 St George's Terrace
Perth WA 6000
GPO Box D182
Perth WA 6001

Telephone:	(08) 9323 2000
Facsimile:	(08) 9323 2033

STOCK EXCHANGE LISTING

The Company's shares are quoted on the
Official List of Australian Stock Exchange Limited

STATE OF REGISTRATION

Western Australia

2. CHAIRMAN'S LETTER

24 September 2004

Dear Shareholder

There were a number of significant developments in your Company during the past year.

When the opportunity to acquire the remaining shares in NiWest Limited, previously owned by Western Metals Copper Limited, became available, the Board arranged for the capital to meet this payment through a Rights Issue. The Rights Issue was strongly supported and your Company now owns 100% of NiWest Limited.

Since the completion of the capital raising, additional funds have been expended on further infill drilling and work has continued actively in negotiations to satisfy Native Title on regions which have not yet had a mining lease approved.

Additional value has been attributed to the Company with these activities and the investment community is more aware of the potential of your Company. The future of the Company appears sound with 128 million tonnes of ore with a grading of 1% nickel and 0.06% cobalt all strategically located close to the Murrin Murrin Joint Venture nickel refinery. The infill drilling currently underway will provide a higher level of certainty to the high grade resources that exist on the Company's tenements and enable more detailed development plans to be investigated. Further details are enclosed in the Annual Report.

Mr Jamie Sullivan was appointed General Manager of the Company during the year and on behalf of the Board I would like to acknowledge the work carried out by Mr Sullivan. My gratitude is also extended to my fellow Directors and our Advisers and Consultants, all of whom have participated actively during the past financial year.

Yours faithfully

MICHAEL PERROTT
Chairman

3. REVIEW OF OPERATIONS

NIWEST LIMITED

The key development over the past 12 months has been the acquisition of the remaining shares in NiWest Limited that were held by Western Metals Limited (WML). In January 2004, GME received notice from Price Waterhouse Coopers, receiver managers for WML, that they had received an offer from Minara Resources Limited (MRE) to purchase the whole of WML's shareholding and its debt in NiWest for $2,715,025. Under the terms of the NiWest Shareholders Deed, GME held a pre-emptive right to match that offer. On 15 January 2004, GME gave notice to PWC that it intended to exercise that pre-emptive right. Subsequent to this, GME embarked on a capital raising to complete this transaction. Funds raised were used in the acquisition of the NiWest shares, repayment of debt and to provide for additional working capital required to advance exploration on the tenements. This transaction was completed in April 2004. (Further details of the capital raising are discussed in section 5.6 Significant Changes in State of Affairs.)

The NiWest nickel laterite resources which stand at 123.1 millions grading 1.00% nickel and 0.06% cobalt are strategically located to the Murrin Murrin Joint Venture nickel refinery. The global resource contains an inferred high-grade resource of 38.4 million tonnes of ore grading 1.28% nickel and 0.09% cobalt. A summary of the resources is listed in tables 1 and 2.

In anticipation of the transaction settling in April, the board of GME appointed a General Manager to oversee the progress of future operations on the NiWest nickel laterite resources.

A full review of the resources was carried out in May. The Company engaged the services of a consulting geological firm to assist with planning of future infill drilling programmes and metallurgical test work that will be carried out over the next twelve months. The exploration budget for the year ending June 2005 is $750,000. The first reverse circulation infill drill programme commenced in late July. Further drill programmes are planned and will be rolled out as results are accessed.

It is the company's intention to actively continue infill drilling of this high-grade resource over the next 12 months. In addition to this, bulk sampling will be carried out on several of the high grade resources to confirm previous testing that has indicated screening of certain ore can result in favourable upgrading of nickel grades.

Following a review of a number of options that NiWest held over third party tenements, the Company decided to exit all but Laverton Downs.

Native title negotiation has recommenced on the Waite Kauri project. Negotiations commenced in January 2003, but stalled when WML went into receivership. It is anticipated that negotiations will be commencing on the balance of the NiWest tenements that are not already cleared of Native Title in the near future. At Eucalyptus Bore, the majority of the nickel resource is located on an approved mining lease.

With the ownership issue of NiWest now behind us, the Company can look forward to exploring all options open to the Company for the development of the NiWest nickel resources with the view to maximising shareholder value.

Resources Status

Total nickel resources are tabulated below on the basis of a 0.7% Ni lower cut-off grade.

Table 1: NiWest global resource by project area

NiWest Resource at 0.7% Nickel cut-off grade (by project)

Project	Category	Tonnes (millions)	Grade Ni	Grade Co
Mertondale	Inferred	3.0	0.98%	0.08%
Murrin Murrin North	Inferred	7.3	0.97%	0.08%
Murrin Murrin Hepi	Inferred	5.3	1.04%	0.08%
Mount Kilkenny	Inferred	29.8	1.00%	0.05%
Waite Kauri	Measured	1.3	1.05%	0.05%
Waite Kauri	Inferred	1.1	0.97%	0.06%
Macey Hill	Inferred	0.3	1.26%	0.12%
Duck Hill	Inferred	3.9	0.96%	0.12%
Eucalyptus Bore	Indicated	54.9	1.01%	0.06%
Eucalyptus Bore	Inferred	14.9	1.00%	0.06%
Laverton Downs	Inferred	1.2	0.92%	0.07%
Total Inferred		**66.9**	**99.00%**	**0.06%**
Total Indicated		**54.9**	**1.01%**	**0.06%**
Total Measured		**1.3**	**1.05%**	**0.05%**
Combined Total		**123.1**	**1.00%**	**0.06%**

Table 2: NiWest High Grade Resource by project area

NiWest Resource at 1.0% Nickel cut-off grade (by project)

Project	Category	Tonnes (millions)	Grade Ni	Grade Co
Mertondale	Inferred	1.2	1.24%	0.08%
Murrin Murrin North	Inferred	2.7	1.26%	0.11%
Murrin Murrin Hepi	Inferred	2.6	1.26%	0.10%
Mount Kilkenny	Inferred	12	1.28%	0.07%
Waite Kauri	Inferred	1.3	1.33%	0.14%
Macey Hill	Inferred	0.3	1.40%	0.15%
Duck Hill	Inferred	1.5	1.27%	0.30%
Eucalyptus Bore	Inferred	16.9	1.28%	0.09%
Combined Total	**(Inferred)**	**38.4**	**1.28%**	**0.09%**

Table 3: NiWest Resource at Various Cut-off Grades

NiWest Resource Summary

Cut Off Grade	Tonnes (millions)	Ni	Co
1.00%	38.4	1.28%	0.09%
0.70%	123.1	1.00%	0.06%
0.50%	217.4	0.81%	0.05%

Murrin Murrin (Minara)

M39/426, 456, 552 AND 569

Minara Resources Limited on behalf of the Murrin Murrin Joint Venture has rights to nickel-cobalt mineralisation on the above tenements. GME retains the rights to precious metals or other base metals discovered on these tenements, including nickel sulphides. To maintain these rights Minara pays the company a fee of $100,000 per year and, in addition to this, a royalty of $0.20 cents per tonne on all nickel laterite mined from the tenements. In June, the company received a royalty payment of $495,715 from Minara for ore mined and processed from these tenements. The payment included an amount of $97,515 for interest that has been accruing on the payment. Whist it is not known exactly how many tonnes may be mined from the tenements, it is anticipated that a further payment is possible in early 2005.

Statement of Resources located on Minara Resources Tenements

Deposit	*Million Tonnes*	*%Ni*	*%Co*	*Cut-off %Ni*	*Resource Status*
MM4	*5.6*	*1.03*	*0.07*	*0.8*	*Measured*
MM4	*4.8*	*0.97*	*0.07*	*0.8*	*Indicated*
MM4E	*3.8*	*1.07*	*0.09*	*0.8*	*Inferred*
MM13	*7.2*	*1.11*	*0.07*	*0.8*	*Inferred*
Total	***21.4***	***1.05***	***0.07***		

LEONORA – LAVERTON GOLD PROJECTS

LINDEN
P39/3417-18 GME 100%
P39/2974-76, MLA39/500 Haoma 90% GME 10%

A small drill programme carried out in the previous reporting period to test the mineralised system below the known gold resource at the Devon and Olympic prospects returned mixed results. Whilst the drilling did intersect the mineralised zone at approximately 80m below surface, the results were not of the grade that has been encountered closer to the surface.

Based on previous drilling, an inferred undiluted gold resource of 240,000 tonnes at 7.15 g/t (55,179 oz) has been calculated at the Devon deposit. Further work is required to collaborate the authenticity of the database. Once this has been completed, it will be possible to construct an accurate model and carry out pre-feasibility on the exploitation of the resource.

ABEDNEGO
PLACER 80% GME 20%
P39/2690-2691, P39/3732-3733, P39/3735-3741, P39/3743-3751

The Abednego Gold project is located adjacent to and adjoining the company's Murrin Murrin and Hepi projects. The project area covers approximately 30 square kilometres. Placer has now earned an 80% interest in the project by spending $500,000. The project comprises five independent prospect areas. All of the prospects have been drilled to varying degrees. Located at the historical Federation/Homeward Bound mines in the centre of the project area, is a gold resource of 70,000 tonnes grading 2.7 g/t. The Sonex prospect, which is located in the south eastern portion of the project area, has returned a number of encouraging drill intersections. The prospect has been drilled along a 700-metre strike and is open to the south where the shear runs into the NiWest Hepi project area. Discussions have been held with Placer as to the ongoing exploration on the project. Some of the better intersections at the Sonex prospect are listed in the table below.

ARB29	5 metres @ 5.42 g/t		ARB13	5 metres @ 15.0 g/t
ARB93	15 metres @ 3.2 g/t		ARB26	1 metre @ 6.66 g/t
ARB24	3 metres @ 2.29 g/t		ARB60	6 metres @ 2.62 g/t

OTHER LEONORA – LAVERTON GOLD PROJECTS

Joint Venture partner on the Leonora East project, Medusa Mining Limited made a successful ASX listing in January 2004. Whilst exploration has been progressing on the project, there have been no significant results reported.

In December 2003, the company disposed on its interest in the Stophanis Well Project. A number of tenements were relinquished during this reporting period, including the several licences in Queensland at the Clermont project.

There were no substantial field activities on the Chain Bore, Hawks Nest, Mt Morgans South and Pyke Hill projects over the period.

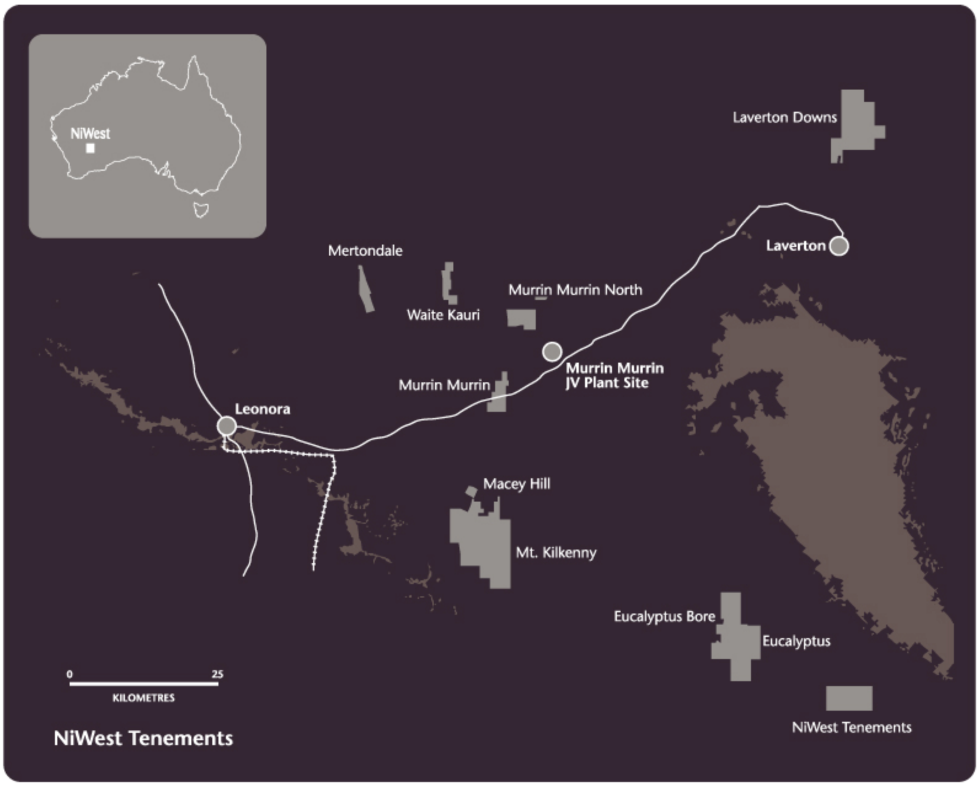
OTHER REGIONAL PROJECTS

Ilgarari
EL52/1482 GME 100%

In April/May, a geochemical soil sample programme was carried out on the Ilgarari copper project located in the Pilbara region of WA. The programme was designed to test for extensions to the known copper mineralisation that exist on the prospect. Results from the sampling indicate that there are a number of anomalies that require follow up work. The programme tested about one third of the mineralised strike on the tenement.

The board is now evaluating this project and planning future work programmes.

NiWest Project Areas



4. CORPORATE GOVERNANCE STATEMENT

4.1 Introduction

The Board of Directors of GME Resources Limited has adopted the following Corporate Governance Principles and is responsible for the adherence to these Principles. These Principles and Practices are reviewed regularly and upgraded or changed to reflect changes in law and what is regarded as best practice. A description of the Company's main Corporate Governance Principles and Practices is set out below.

4.2 Role of the Board

The Board has adopted the following Statement of Matters for which the Board will be responsible:

(1) Reviewing and determining the Company's strategic direction and operational policies;

(2) Review and approve business plans, budgets and forecasts and set goals for management;

(3) Appoint and remunerate Chief Executive Officer and Senior Staff;

(4) Review performance of Chief Executive Officer and Senior Staff;

(5) Review financial performance against Key Performance Indicators on a monthly basis;

(6) Approve acquisition and disposal of tenements;

(7) Approve exploration and mining programs;

(8) Approve capital, development and other large expenditures;

(9) Review risk management and compliance;

(10) Oversee the Company's control and accountability systems;

(11) Reporting to shareholders; and

(12) Ensure compliance with environmental, taxation, Corporations Act and other laws and regulations.

4.3 Managing Director

GME's most senior employee is the Managing Director who is appointed and subject to annual reviews by the Board. The Managing Director recommends policies, strategic direction and business plans for the Board's approval and is responsible for managing the Company's day-to-day business.

4.4 Board Independence

The Board consists of three directors, but up to 10 directors can serve on the board. Currently the three directors are:

▪ Michael D Perrott	Chairman	58 years	Director since 1996
▪ Peter R Sullivan	Managing Director	48 years	Director since 1996
▪ Geoffrey M Motteram	Independent Director	55 years	Director since 1997

Mr Motteram is the only director considered Independent on the Board according to the definitions by the Australian Stock Exchange Corporate Governance Council ("**Council**"). The

Managing Director, Mr Sullivan is an Executive Director. He is also a substantial shareholder of the Company. The Chairman, Mr Perrott, is not considered "*Independent*" by the definitions of the Council as he is a director of a substantial shareholder in the Company and a director of an entity supplying services to the Company.

As such, the Company does not comply with the Council's recommendation, Item 2.1, that the majority of the Company's directors should be Independent Directors. The Board has however adopted a series of safeguards to ensure that independent judgement is applied when considering the business of the Board:

(1) Directors are entitled to seek independent professional advice at the Company's expense. Prior written approval of the Chairman is required but this is not unreasonably withheld.

(2) Directors having a conflict of interest with an item for discussion by the Board must absent themselves from a board meeting where such item is being discussed before commencement of discussion on such topic.

(3) The Independent Director confers on a "*needs*" basis with the Chairman with such discussion if warranted and considered necessary by the Independent Director.

(4) The Board considers Non-executive Directors to be independent even if they have minor dealings with the Company provided they are not a substantial shareholder. Transactions with a value in excess of 5% of the Company's annual operating costs are considered material. A director will not be considered independent if he has transactions in excess of this materiality threshold.

4.5 Tenure of the Board

The Directors are expected to review their membership of the Board from time to time taking into account the length of service on the Board, age, qualification and experience. In light of the needs of the Company and direction of the Company together with such other criteria considered desirable for composition of a balanced board and the overall interests of the Company.

A director is expected to resign if the remaining directors recommend that a director should not continue in office, but is not obliged to do so.

4.6 Chairman

The current Chairman is Mr Michael D Perrott, who is not considered strictly independent in accordance with the principles recommended by the Council. Mr Perrott brings a wealth of business experience, connections and drive to the Board and the other Directors, including Mr Motteram who is independent, consider Mr Perrott to be the most suitable person to lead the Board.

The Chairman's role is separated from the role of the Managing Director.

The Chairman's role includes:

(1) Providing effective leadership on formulating the Board's strategy;

(2) Representing the views of the Board to the public;

(3) Ensuring that that the Board meets at regular intervals throughout the year and that minutes of meeting accurately record decisions taken and where appropriate the views of individual directors;

(4) Guiding the agenda, information flow and conduct of all board meetings;

(5) Reviewing the performance of the board of directors; and

(6) Monitoring the performance of the management of the Company.

4.7 Committees

Due to the small size of the Company and the number of board members, the Board does not have a formal nomination committee structure. Any new directors will be selected according to the needs of the Company at that particular time, the composition and the balance of experience on the Board as well as the strategic direction of the Company.

Should the need arise to consider a new board member, some or all of the Directors would form the committee to consider the selection process and appointment of a new director.

At each annual general meeting the following directors retire:

(1) One third of directors (excluding the Managing Director);

(2) Directors appointed by the Board to fill casual vacancies or otherwise;

(3) Directors who have held office for more than three years since the last general meeting at which they were elected.

4.8 Details on Current Directors

Details on current directors including their skills and experience are included in the Directors' Report.

4.9 Ethical and Responsible Decision-making

In making decisions, the Directors of the Company, its officers and employees, take into account the needs of all stakeholders:

(1) Shareholders;

(2) Employees;

(3) Community;

(4) Creditors;

(5) Contractors; and

(6) Government (Federal, State and Local).

The Directors, officers and employees of the Company are expected to:

(1) Comply with the laws and regulations both by the letter and in spirit;

(2) Act honestly and with integrity;

(3) Avoid conflicts of interest by not placing themselves in situations which result in divided loyalties;

(4) Use the Company's assets responsibly and in the interests of the Company, not take advantage of property, information or position for personal gain or to compete with the Company;

(5) To keep non-public information confidential except where disclosure is authorised or legally mandated; and

(6) Responsible and accountable for their actions and report any unethical behaviour.

4.10 Trading in Company Securities

The Directors, officers and employees of the Company must not acquire or dispose of securities in the Company whilst in possession of price sensitive information not yet released to the market. Subject to this condition and the trading prohibition applying to periods prior to major announcements, including announcement of drilling results, announcement of half-yearly and full year results and the holding of a general meeting, trading can occur at any time.

Directors must advise the Company which in turn advises the Australian Stock Exchange of any transactions conducted by them in the Company's securities within five business days after the transaction occurs.

4.11 Integrity of Financial Reporting

GME's Managing Director and Company Secretary report in writing to the Board:

(1) That the Company's financial reports are complete and present a true and fair view, in all material respects, of the financial condition and operational results of the Company and Group; and

(2) That the above statement is founded on a sound system of internal control and risk management which implements the policies adopted by the Board and that the Company's risk management and internal controls are operating efficiently in all material respects.

4.12 Audit Committee

The Company does not have a formal audit committee as, in the opinion of the directors, the scope and size of the Company's operations do not warrant it. As such the Company is not in strict compliance of the Council's Recommendation 4.2 that the Board should establish an audit committee. It should be noted however that when the Council's Recommendation was made it was emphasised that it was more relevant for large companies.

The Board regularly reviews the scope of audits, the level of audit fees and the performance of auditors.

The Board also is continually assessing to ensure the independence of the external auditor is maintained. The company will and does, if necessary, use other consultants to avoid any potential independence issues.

4.13 Timely and Balanced Disclosure to Australian Stock Exchange

The Company has procedures in place to identify matters that are likely to have a material effect on the price of the Company's securities and to ensure those matters are notified to the Australian Stock Exchange in accordance with its listing rule disclosure requirements.

Information to the market and media is handled by the Chairman, the Managing Director or the Company Secretary. In particular, the Company Secretary has been nominated as the person responsible for communications with Australian Stock Exchange. This role includes responsibility for compliance with the continuous disclosure requirements of the Australian Stock Exchange Listing Rules and overseeing and coordinating information disclosures to Australian Stock Exchange, analysts, brokers, shareholders the media and the public.

All disclosures to Australian Stock Exchange are posted on the Company's website soon after clearance has been received from Australian Stock Exchange.

The Chairman, the Managing Director and Company Secretary are monitoring information in the marketplace to ensure that a false market does not emerge in the Company's securities.

4.14 **Communication with Shareholders**

It is the Company's communication policy to communicate with shareholders and other stakeholders in an open, regular and timely manner so that the market has sufficient information to make informed investment decisions on the operations and results of the Company.

The information is communicated to the shareholders through:

(1) Continuous disclosure announcements made to the Australian Stock Exchange;

(2) Distribution of the annual report to shareholders together with a notice of meeting;

(3) Posting of half-yearly results and all Australian Stock Exchange announcements on the Company's website;

(4) Posting of all major drilling results;

(5) Posting of all media announcements on the Company's website; and

(6) Calling of annual general meetings and other meetings of shareholders to obtain approval for board action as appropriate.

On the Company's website, information about the Company's projects are shown.

The Company has always invited the Company's auditor to attend to annual General Meeting and will continue to do so and allow sufficient time for the shareholders to ask questions of the Company's auditor relating to the audit of the Company.

At annual general meetings and other general meetings of shareholders, shareholders are encouraged to ask questions of the Board of Directors relating to the operation of the Company.

4.15 **Risk Management**

Due to its size of operation and size of the board, there is no formal board committee to identify, assess and monitor and manage risk. Responsibility for day to day control and risk management lies with the Managing Director and Company Secretary (financial risk) with reporting responsibility to the Board. The Board participate and monitor risks including but not limited to compliance with development and environmental approvals, tendering, contracting and development, pricing of products, quality, safety, strategic issues, financial risk, joint venture, accounting and insurance. Any changes in the risk profile for the Company are communicated to its stakeholders via an announcement to Australian Stock Exchange.

4.16 **Performance**

The Board has adopted a self-evaluation process to measure its own performance. The Chairman evaluates the performance of each director and the Board evaluates the performance of the Chairman. Performance of senior executives is evaluated by the Managing Director in cooperation with the Chairman. All performance evaluations are measured against budget, goals and objectives set.

All directors of the board have access to the Company Secretary who is appointed by the Board. The Company Secretary reports to the Chairman, in particular to matters relating to corporate governance.

Once a month an information package on the Company's performance is presented to Board Members for their review and to assist them in their decision-making.

All board members have access to professional independent advice at the Company's expense provided they first have obtained the Chairman's approval which will not be unreasonably withheld.

4.17 **Remuneration**

(1) Managing Director and Non-executive Directors

The directors are remunerated for the services they render the Company and such services are normally carried out under normal commercial terms and conditions. Remuneration is also determined having regard to how directors are remunerated for other similar companies, the time spent on the Company's matters and the performance of the Company. Engagement and payment for such services are approved by the other directors with no interest in the engagement of services.

The Board has no retirement or termination benefits. Payments to all directors are set out in the Director's Report.

(2) Senior Executives

The remuneration of senior executives is discussed and determined by the Board upon receiving advice from the Managing Director. The remuneration packages are set at levels intended to attract and retain the executives capable of managing the Company's operations.

The remuneration of senior executives is set out in the Directors' Report.

(3) General

Due to the staff size and the close involvement of the Board in the operations of the Company, the Company does not operate a formal remuneration committee. All remuneration paid to the Chairman, Non-executive Directors, Executive Director and Senior Executives are all reviewed and discussed by the Board.

The Company does not operate an employee share option plan and there are no options outstanding issued to directors, employees or former employees.

4.18 **Interests of Stakeholders**

It is the Company's objective to create wealth for its shareholders and provide a safe and challenging environment for employees and for the Company to be a valuable member of the community as a whole.

The Company's ethical and responsible behaviour is set out under the heading "*Ethical and Responsible Decision-making*" (see 4.9).

The Company's core values are summarised as follows:

(1) Provide value to its shareholders through growth in its market capitalisation;

(2) Act with integrity and fairness;

(3) Create a safe and challenging workplace;

(4) Be participative and recognise the needs of the community;

(5) Protect the environment;

(6) Be commercially competitive; and

(7) Strive for high quality performance and development.

5. DIRECTORS' REPORT

Your directors present their report of GME Resources Limited and its controlled entities for the financial year ended 30 June 2004.

5.1 Directors

The names of directors in office at any time during or since the end of the year are:

Michael Delaney Perrott	(Chairman)
Peter Ross Sullivan	(Managing Director)
Geoffrey Mayfield Motteram	(Technical Director).

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

5.2 Principal Activities

The principal activities of the consolidated entity are mineral exploration and investment.

No significant change in the nature of these activities occurred during the year.

5.3 Operating Results

The consolidated loss after income tax for the year ended 30 June 2004 was $491,788 (2003: $2,034,721).

5.4 Dividends

No dividends have been paid or declared since the start of the financial year. No recommendation is made as to dividends.

5.5 Review of Operations

A detailed review of operations for the financial year and up to the date of this report is included in the annual report and should be read with this directors' report.

5.6 Significant Changes in State of Affairs

The significant changes in the state of affairs of the consolidated entity during the financial year were:

On 23 January 2004 the Company announced its intention to accept the offer from the Receivers and Managers of Western Metals Copper Limited to acquire the 62% interest in NiWest Limited that it did not already own for a total cost of $2,715,025. The Company also announced a fully underwritten one for two renounceable Rights Issue at $0.08 per share to raise approximately $4,993,000; the funds of which were to be applied to meet the acquisition cost of the 62% interest in NiWest Limited as well as tidying up the Company's balance sheet and providing for future working capital needs. As a result of this Rights Issue in late March, in early April 2004 a total of 60,185,278 shares at $0.08 per share were allotted raising a total of $4,814,822.

On 6 February 2004 the Company allotted 3,888,889 shares to Retirewise Capital Australia Pty Ltd: 3,333,333 shares (issued at 6 cents per share) relating to the redemption of a convertible note of $200,000; and the balance of 555,556 shares (issued at 6.5 cents per share) to the issue of shares on the same terms as the 1998 Rights Issue. The agreement with Retirewise Capital Australia Pty Ltd allows them to exercise their right to subscribe for shares as if they had participated in any rights issue since the date of the convertible note. The Deed under which the Convertible Notes were issued was approved by the shareholders in a meeting held on 26 August 1997.

On the 31 March 2004 the Company announced that it had exercised its pre-emptive right to acquire from Western Metals Copper Limited (Receivers and Managers Appointed) (In Liquidation) the whole of its shares in NiWest Limited and to take an assignment of the whole of the loan account owed to it.

The Company paid the full purchase consideration of $2,715,025 for the acquisition of the Shares and the Assignment of the Debt which also includes payment of the $200,000 Royalty on behalf of NiWest Limited to Murrin Murrin East Pty Ltd.

As a result of this transaction the Company is now the owner of all the issued shares of NiWest Limited. Similarly the Company has acquired debt of approximately $1,265,025 formerly owed to Western Metals Copper Limited (Receivers and Managers Appointed) (In Liquidation) and thus all shareholder debts of NiWest Limited are now held by the Company.

On 24 June 2004 the Company announced it had received its first payment from Minara Resources Limited totalling $495,781 as royalties on nickel laterite ore tonnes mined and processed from a group of tenements transferred to Minara Resources under an agreement made in September 1995. Included in the payment figure was $95,781 of interest accrued on the royalties.

5.7 After Balance Date Events

Since 30 June 2004, the following significant events have occurred:

On 1 July 2004 the Company announced the appointment of Grange Securities Limited as Corporate Adviser to the Company for a period of 12 months.

In lieu of paying a corporate advisory fee, the Directors of the Company resolved to issue 5,000,000 Options as follows to Grange Securities Limited:

- 2,000,000 Options exercisable at $0.20 each;
- 2,000,000 Options exercisable at $0.30 each; and
- 1,000,000 Options exercisable at $0.40 each.

All of the above Options will expire on 30 June 2007.

Other than those matters discussed above no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the consolidated entity’s operations, the results of those operations, or the consolidated entity’s state of affairs in future financial years.

5.8 Likely Developments

The consolidated entity will continue its mineral exploration and investment with the object of finding further mineralised resources and exploiting those already discovered.

5.9 Information on Directors and Company Secretary

Director	Qualifications and Experience
Michael Delaney Perrott BCom (Director) 58 Years	Mr Perrott has been involved in industries associated with construction, contracting, mining and land development since 1969. He is currently Chairman of Port Bouvard Limited, Bone Medical Limited and Canning Vale Weaving Mills Limited and a Non-Executive Director of Portman Limited. He is a member of the Board of Notre Dame University and a council member of National Advisory Council for Suicide Prevention and the State Ministerial Council for Suicide Prevention. Mr Perrott has been Chairman of the Company since his appointment as a director in 1996.
Peter Ross Sullivan BE, MBA (Engineer) 48 years	Mr Sullivan is an engineer and has been involved in the development of resource companies and projects for more than 15 years. His project engineering experience was followed by four years in corporate finance with an investment bank and two years in a corporate development role with an Australian resource group. Mr Sullivan has considerable experience in the management and strategic development of resource companies. He is currently Managing Director of Resolute Mining Limited. Mr Sullivan has been Managing Director of the Company since his appointment as a director in 1996.
Geoffrey Mayfield Motteram BMetE(Hons), MAusIMM (Metallurgical Engineer) 55 years	Mr Motteram is a metallurgical engineer with over 25 years' experience in the development of projects in the Australian resources industry. He has extensive experience in gold and base metals having been involved with WMC's Kwinana Nickel Refinery and Kalgoorlie Nickel Smelter. He subsequently joined BHP, and later Metals Exploration, where he was involved in the evaluation of gold and base metal projects. Since 1989 he has acted as a Mining Project and Metallurgical Consultant. He was involved in the formation of Minara Resources Limited (formerly Ananconda Nickel Limited) in 1994 and controlled the technical development of the Murrin Murrin Joint Venture until the end of 1997. He is a former director of Minara Resources Limited. Mr Motteram has been technical director of the Company since 1997.
Niels Johannes Kroyer CMA	Mr Kroyer has been the company secretary of the Company since 1995. Mr Kroyer has more than 10 years' experience as company secretary for listed public companies and has extensive management experience both internationally and locally. He is an accountant by training and an alumnus of INSEAD Business School.

5.10 Directors' and Executives' Emoluments

The Managing Director and Non-executive Directors are remunerated for the services they render to the Company and such services are carried out under normal commercial terms and conditions. Remuneration is also determined having regard to how directors are remunerated for other similar companies, the time spent on the Company's matters and the performance of the Company. Engagement and payment for such services are approved by the other directors who have no interest in the engagement of services.

The remuneration of senior executives is discussed and determined by the Board upon receiving advice from the Managing Director. The remuneration packages are set at levels that are intended to attract and retain the executives capable of managing the Company's operations.

Due to the staff size and the close involvement of the Board in the operations of the Company, the Company does not operate a formal remuneration committee. All remuneration paid to the Chairman, Non-executive Directors, Executive Director and Senior Executives are all reviewed and discussed by the Board.

There are no retirement or termination benefits payable to the Board or senior executives.

The Company does not operate an employee share option plan and there are no options outstanding issued to directors, employees or former employees.

Details of nature and amount of each element of the emoluments of each director of the Company (and each of the officers of the Company and the consolidated entity receiving the highest remuneration) are:

Non – Executive Directors	Fees $
Michael D Perrott	30,000
Geoffrey M Motteram	18,000

Executive Director	Fees $
Peter R Sullivan	24,000

Executive Officer	Fees $
James N Sullivan (appointed General Manager 23 March 2004)	19,773

The Company had no employees as at 30 June 2004.

5.11 Directors' Interests

The relevant interests of directors either directly or through entities controlled by the directors in the share capital of the company as at the date of this report are:

Director	Ordinary Shares	Options
Michael D Perrott	17,012,294	-
Peter R Sullivan	11,540,147	-
Geoffrey M Motteram	3,885,050	-

5.12 Meetings of Directors

During the year, 13 meetings of directors were held. Attendances were:

Name	Number Eligible to Attend	Number Attended
Michael D Perrott	13	13
Peter R Sullivan	13	12
Geoffrey M Motteram	13	13

5.13 Share Options

At the date of this report the number of Options on issue (all of which were issued subsequent to year end) are as follows:

- 2,000,000 Options exercisable at $0.20 each;
- 2,000,000 Options exercisable at $0.30 each; and
- 1,000,000 Options exercisable at $0.40 each.

All of the above Options will expire on 30 June 2007.

5.14 Audit Committee

The Company does not have an audit committee as, in the opinion of the directors, the scope and size of the Company's operations do not warrant it.

5.15 Indemnifying Officers or Auditors

The company has not, during or since the financial year, in respect of any person who is or has been an officer or the auditor of the Company or of a related body corporate:

- indemnified or made any relative agreement for indemnifying against a liability incurred as an officer or auditor, including costs and expenses in defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer or auditor for the costs or expenses to defend legal proceedings.

5.16 Environmental Regulation

The consolidated entity's exploration and mining tenements are located in Western Australia and Queensland. There are significant regulations under the Western Australian Mining Act 1978 and the Queensland Mineral Resources Act 1989 and both states' Environmental Protection Acts that apply. Licence requirements relating to ground disturbance, rehabilitation and waste disposal exist for all tenements held.

The directors are not aware of any significant breaches during the period covered by this report.

5.17 Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

5.18 Tax Consolidation

Effective 1 July 2003, for the purposes of income taxation, GME and its 100% wholly-owned subsidiaries formed a tax consolidated group. The Australian Taxation Office will be notified of this decision on the lodgement of the Company's 2004 Income Tax Return.

5.19 Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of the Company support and have adhered to the principles of corporate governance. The Company's corporate governance statement is contained in the preceding section of this annual report.

This report is signed in accordance with a Resolution of Directors.

Peter R Sullivan
Managing Director
24 September 2004
Perth
Western Australia

STATEMENTS OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2004

	Note	Consolidated 2004 $	Consolidated 2003 $	Parent Entity 2004 $	Parent Entity 2003 $
Revenues from ordinary activities	2	794,600	240,382	198,533	140,382
Interest expense	3	62,984	80,707	62,984	80,707
Carrying value of tenements sold	3	6,359	-	6,359	-
Depreciation expense	3	43	-	43	-
Write down in value of carried forward exploration expenditure	3	74,212	346,467	74,212	166,467
Write down in value of investments	3	896,466	1,673,122	896,466	1,673,122
Management and consulting fees		149,625	132,000	145,500	132,000
Other expenses from ordinary activities		96,699	42,807	89,527	42,807
Loss from ordinary activities before income tax expense		491,788	2,034,721	1,076,558	1,954,721
Income tax expense relating to ordinary activities	4	-	-	-	-
Loss from ordinary activities after related income tax		491,788	2,034,721	1,076,558	1,954,721
Net loss attributable to members of the parent entity	16	491,788	2,034,721	1,076,558	1,954,721
Earnings Per Share					
Basic earnings per share (cents per share)	21	(0.43)	(1.94)		
Diluted earnings per share (cents per share)	21	(0.43)	(1.94)		

The accompanying notes form part of these financial statements.

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2004

	Note	Consolidated 2004 $	Consolidated 2003 $	Parent Entity 2004 $	Parent Entity 2003 $
CURRENT ASSETS					
Cash assets	18(b)	1,823,419	152,534	1,808,315	152,534
Receivables	5	41,218	13,839	35,097	13,608
Other financial assets	6	10,125	-	10,125	-
Other	7	2,395	-	2,395	-
TOTAL CURRENT ASSETS		1,877,157	166,373	1,855,932	166,142
NON CURRENT ASSETS					
Receivables	8	-	753,710	2,465,152	753,710
Investments accounted for using the equity method	9	-	1,464,923	-	-
Other financial assets	10	-	-	2,615,950	2,080,523
Plant and equipment	11	599	-	599	-
Exploration costs carried forward	12	6,028,300	1,622,513	1,022,118	1,052,560
TOTAL NON CURRENT ASSETS		6,028,899	3841,146	6,103,819	3,886,793
TOTAL ASSETS		7,906,056	4,007,519	7,959,751	4,052,935
CURRENT LIABILITIES					
Payables	13	312,307	800,917	1,352,695	1,248,256
Interest bearing liabilities	14	425,152	623,003	425,152	623,003
TOTAL CURRENT LIABILITIES		737,459	1,423,920	1,777,847	1,871,259
TOTAL LIABILITIES		737,459	1,423,920	1,777,847	1,871,259
NET ASSETS		7,168,597	2,583,599	6,181,904	2,181,676
EQUITY					
Contributed equity	15	20,630,217	15,553,431	20,630,217	15,553,431
Accumulated losses	16	(13,461,620)	(12,969,832)	(14,448,313)	(13,371,755)
TOTAL EQUITY		7,168,597	2,583,599	6,181,904	2,181,676

The accompanying notes form part of these financial statements.

STATEMENTS OF CASH FLOWS
FOR YEAR ENDED 30 JUNE 2004

	Note	Consolidated		Parent Entity	
		2004 $	2003 $	2004 $	2003 $
Cash Flows From Operating Activities					
Proceeds from mining royalties		400,000	-	-	-
Payments for:					
Exploration and evaluation		(255,796)	(84,597)	(33,534)	(80,095)
Administration		(228,436)	(107,597)	(224,311)	(107,597)
Proceeds from reimbursement of exploration and evaluation		-	15,000	-	15,000
Proceeds from facilitation fee for prospecting rights		100,000	100,000	-	-
Interest received		134,770	7,439	38,704	7,439
Interest paid		(207,503)	-	(207,503)	-
Proceeds from sale of shareholder rights		61,370	-	61,370	-
Payment of proceeds of shareholder rights		(61,370)	-	(61,370)	-
Other		579	133,075	579	133,075
Net Operating Cash Flows	18(a)	(56,386)	63,320	(426,065)	(32,178)
Cash Flows Related to Investing Activities					
Payments for:					
Equity investments (net of cash acquired)	17	(1,244,266)	-	(1,255,048)	-
Plant and equipment		(642)	-	(642)	-
Proceeds from sale of prospects		7,500	-	7,500	-
Loans to associated entity		(77,247)	(172,422)	(77,247)	(172,422)
Loans repaid on behalf of controlled entity to other entity		(1,265,025)	-	(1,265,025)	-
Net Investing Cash Flows		(2,579,680)	(172,422)	(2,590,462)	(172,422)
Cash Flows Relating to Financing Activities					
Proceeds from issue of shares		4,814,822	-	4,814,822	-
Payment of costs associated with issue of shares		(234,407)	-	(234,407)	-
Loans funds from wholly owned entities		-	-	605,781	100,000
Loan funds to wholly owned entities		-	-	(240,424)	(4,502)
Loans repaid to other persons		(273,464)	-	(273,464)	-
Net Financing Cash Flows		4,306,951	-	4,672,308	95,498
Net Increase/(Decrease) in Cash Held		1,670,885	(109,102)	1,655,781	(109,102)
Cash at the Beginning of the Year		152,534	261,636	152,534	261,636
Cash at the End of the Year	18(b)	1,823,419	152,534	1,808,315	152,534

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

1. STATEMENT OF ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers the consolidated entity of GME Resources Ltd and controlled entities, and GME Resources Ltd as an individual parent entity. GME Resources Ltd is a listed public company, incorporated and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the consolidated entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Principles of Consolidation

The consolidated financial statements have been prepared by combining the financial statements of all the entities that comprise the consolidated entity, being the Company (the parent entity) and its controlled entities as defined in AASB1024, “Consolidated Accounts”. A list of controlled entities appears in Note 17. Consistent accounting policies have been employed in the preparation and the presentation of the consolidated financial statements.

The consolidated financial statements include the information and results of each controlled entity from the date on which the Company obtains control and until such time as the Company ceases to control such entity.

In preparing the consolidated financial statements, all inter Company balances and transactions, and unrealised profits arising within the consolidated entity are eliminated in full.

(b) Exploration and Development Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full in the year in which the decision to abandon the area is made.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

(b) Exploration and Development Expenditure (Continued)

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that restoration will be completed within one year of abandoning the site.

(c) Income Tax

The consolidated entity adopts the liability method of tax-effect accounting whereby the income tax expense is based on the operating result before income tax adjusted for any permanent differences.

Timing differences which arise due to the different accounting periods in which items of revenue and expense are included in the determination of operating result before income tax and taxable income are brought to account as either a provision for deferred income tax or an asset described as future income tax benefit at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by law.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

(d) Plant and Equipment

Plant and equipment is measured on the cost basis.

The depreciable amount of plant and equipment is depreciated over the estimated useful life of each asset commencing from the time the asset is held ready to use. Predominantly, the straight line method of depreciation has been used.

Class of fixed assets	Depreciation rate
Plant and equipment	20 - 27%

(e) Investments

Shares in listed companies held as current assets are valued by directors at those shares' market value at each balance date. The gains or losses, whether realised or unrealised, are included in result from ordinary activities before income tax.

Non-current investments are measured on the cost basis. The carrying amount of non-current investments is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the quoted market value for listed investments or the underlying net assets of other non-listed investments.

(f) Investments in Associates

Investments in associate companies are recognised in the financial statements by applying the equity method of accounting.

(g) Cash

For the purpose of the statements of cash flows, cash includes deposits which are readily convertible to cash on hand and which are used in the cash management function on a day to day basis, net of outstanding bank overdrafts.

(h) Revenue Recognition

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Other revenue is recognised when all obligations by the consolidated entity have been fulfilled and the right to the revenue has been established.

(i) Converting Financial Instruments

Convertible notes are recorded as a liability. On conversion, ordinary shares issued are recognised at the aggregate of the carrying amounts of the liability, together with any amount received on conversion.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

(j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

(k) Earnings per share

Basic EPS is calculated as net profit attributable to members, adjusted to exclude costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as net profit attributable to members, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with potential dilutive ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and potential dilutive ordinary shares, adjusted for any bonus element.

(l) Adoption of Australian Equivalents to International Financial Reporting Standards

Australia is currently preparing for the introduction of International Financial Reporting Standards (IFRS) effective for financial years commencing 1 January 2005. This requires the production of accounting data for future comparative purposes at the beginning of the next financial year.

The consolidated entity's management, along with its consultants, are assessing the significance of these changes and preparing for their implementation.

The directors are of the opinion that the key differences in the economic entity's accounting policies which will arise from the adoption of IFRS are:

Impairment of Assets

The consolidated entity currently determines the recoverable amount of an asset on the basis of undiscounted net cash flows that will be received from the assets use and subsequent disposal. In terms of Australian International Standard AASB 136: Impairment of Assets, the recoverable amount of an asset will be determined as the higher of fair value less costs to sell and value in use. It is likely that this change in accounting policy will lead to impairments being recognised more often than under the existing policy.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

(l) Adoption of Australian Equivalents to International Financial Reporting Standards (Continued)

Income Tax

Currently, the consolidated entity adopts the liability method of tax-effect accounting whereby the income tax expense is based on the accounting profit adjusted for any permanent differences. Timing differences are currently brought to account as either a provision for deferred income tax or future income tax benefit. Under the Australian International Standard AASB 112: Income Taxes, the consolidated entity will be required to adopt a balance sheet approach under which temporary differences are identified for each asset and liability rather than the effects of the timing and permanent differences between taxable income and accounting profit.

Exploration and Development Expenditure

An Australian International Standard on extractive industries has not yet been issued. Consequently, the consolidated entity is unable to determine the change in policies and related impacts, if any, that may arise on adoption of Australian International Standard on its extractive-related operations and balances at reporting date.

Share Based Payments

After the balance date, the Company has issued options in lieu of paying corporate advisory fees. Such share based payments will be required to be recognised as an expense in respect of services received under the new Australian International Standard AASB 2: Share-Based Payment. Under current accounting policies such payments are not expensed.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

	Consolidated		Parent Entity	
	2004	2003	2004	2003
	$	$	$	$
2. REVENUE FROM ORDINARY ACTIVITIES				
Operating Activities				
Interest received	134,771	7,304	38,704	7,304
Proceeds from:				
Facilitation fee for prospecting rights	100,000	100,000	-	-
Royalty fees	533,000	133,000	133,000	133,000
Other revenue	579	78	579	78
	768,350	240,382	172,283	140,382
Non Operating Activities				
Proceeds from disposal of tenements	26,250	-	26,250	-
Total revenue	794,600	240,382	198,533	140,382

3. LOSS FROM ORDINARY ACTIVITIES

	Consolidated 2004 $	Consolidated 2003 $	Parent Entity 2004 $	Parent Entity 2003 $
Loss from ordinary activities before income tax has been determined after:				
(a) Charging as an expense:				
Depreciation – plant and equipment	43	-	43	-
Write down in value of carried forward expenditure	74,212	346,467	74,212	166,467
Interest – other persons	62,984	80,707	62,984	80,707
Carrying value of tenements sold	6,359	-	6,359	-
Write down in value of investments	896,466	1,673,122	896,466	1,673,122
(b) Net gains				
Profit on sale of tenements	19,891	-	19,891	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

	Consolidated 2004 $	Consolidated 2003 $	Parent Entity 2004 $	Parent Entity 2003 $
4. INCOME TAX				
(a) The prima facie tax on operating result is reconciled to the income tax provided in the financial statements as follows:				
Prima facie tax benefit on operating loss before income tax at 30%	(144,233)	(610,416)	(322,967)	(586,416)
Tax effect of permanent differences:				
Non-deductible expenditures Regarding capital raising, corporate advice etc	3,973	229	3,973	229
Profit on sale of tenements	(5,967)	-	(5,967)	-
Tax loss on sale of tenements	(28,388)	-	(28,388)	-
Tax loss on abandoned tenements	(24,136)		(24,136)	
Write down in value of investments	268,940	501,936	268,940	501,936
Exploration expenditures written off	22,264	103,940	22,264	49,940
Exploration expenditures incurred	(11,632)	(21,779)	(11,505)	(20,428)
Overprovision for income tax in prior year	17	18,285	17	285
	80,838	(7,805)	(97,769)	(54,454)
Tax effect of timing differences	900	190	900	190
	81,738	(7,615)	(96,869)	(54,264)
Benefit of prior year losses recouped	(81,738)	-	(81,738)	-
Tax losses transferred	-	-	178,607	46,649
Future Income tax benefits not brought to account	-	7,615	-	7,615
Income tax expense	-	-	-	-
(b) The directors estimate that the potential future income tax benefits not brought to account are:	837,998	919,736	798,163	879,901

The potential future income tax benefit will only be obtained if:

(i) the relevant company derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised;

(ii) the relevant company continues to comply with the conditions for deductibility imposed by the law; and

(iii) no changes in tax legislation adversely affect the relevant company in realising the benefit.

There are no franking credits available.

Tax Consolidation

Effective 1 July 2003, for the purposes of income taxation, the Company and its 100% wholly-owned subsidiaries formed a tax consolidated group. The head entity of the tax consolidated group is GME Resources Limited; the Australian Taxation Office will be notified of this decision when it lodges its 30 June 2004 consolidated tax return.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

	Consolidated		Parent Entity	
	2004	2003	2004	2003
	$	$	$	$
5. RECEIVABLES (CURRENT)				
Sundry debtors	41,218	13,839	35,097	13,608
	41,218	13,839	35,097	13,608
6. OTHER FINANCIAL ASSETS (CURRENT)				
Listed investments	18,750	-	18,750	-
Provision for diminution in investments	(8,625)	-	(8,625)	-
	10,125	-	10,125	-

Listed shares are carried at current market value.

	Consolidated 2004 $	Consolidated 2003 $	Parent Entity 2004 $	Parent Entity 2003 $
7. OTHER (CURRENT)				
Prepayments	2,395	-	2,395	-
	2,395	-	2,395	-
8. RECEIVABLES (NON CURRENT)				
Loan to associated entity	-	753,710	-	753,710
Loans to controlled entities (wholly owned)	-	-	3,787,847	1,322,695
Provision for non recovery	-		(1,322,695)	(1,322,695)
	-	753,710	2,465,152	753,710

The loan to associated entity balance in 2003 was a non interest bearing unsecured loan to NiWest Limited in which the Company previously held an equity interest. On 30 March 2004 the Company acquired the remaining shareholding interest in NiWest Limited and as such NiWest Limited became a wholly owned subsidiary of the Company and has since been consolidated into the Company's accounts (see note 17 for more details).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

9. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (NON CURRENT)

	Consolidated 2004 $	Consolidated 2003 $	Parent Entity 2004 $	Parent Entity 2003 $
Associated Company	-	1,464,923	-	-
	-	1,464,923	-	-
The consolidated entity's share of aggregate assets and liabilities as disclosed by the associates is:				
Current assets	-	12,415	-	-
Non-current assets	-	2,217,699	-	-
Total assets	-	2,230,114	-	-
Current liabilities	-	2,257	-	-
Non-current liabilities	-	762,934	-	-
Total liabilities	-	765,191	-	-
Net assets	-	1,464,923	-	-

The associated company balances above resulted from the sale of nickel tenements on 14 September 2000 to NiWest Limited ("NiWest"). NiWest is principally involved in mineral exploration. In direct exchange for the tenements sold, the Company was issued 40% of the issued capital in NiWest. The cost of the investment was accounted for as the carrying value of the tenements sold to NiWest at the time, plus incidental costs.

On 30 March 2004 the Company acquired the remaining shareholding interest in NiWest Limited and as such NiWest Limited became a wholly owned subsidiary of the Company and has since been consolidated into the Company's accounts (see note 17 for more details).

10. OTHER FINANCIAL ASSETS (NON CURRENT)

	Consolidated 2004 $	Consolidated 2003 $	Parent Entity 2004 $	Parent Entity 2003 $
Unlisted Investments:				
Associate entities (refer note 9)	-	-	-	3,138,045
Controlled entities (refer note 17)	-	-	5,178,206	616,893
Provision for diminution in value	-	-	(2,562,256)	(1,674,415)
	-	-	2,615,950	2,080,523

All investments comprise ordinary shares and no shares held in related corporations are listed on a prescribed stock exchange.

The recoverability of the carrying value of shares in controlled and associated entities is dependent on the successful development and commercial exploration or, alternatively, sale of the respective areas in which those controlled entities have an interest.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

	Consolidated		Parent Entity	
	2004	2003	2004	2003
	$	$	$	$
11. PLANT AND EQUIPMENT (NON CURRENT)				
Plant and equipment - at cost	642	3,140	642	3,140
Less provision for depreciation	(43)	(3,140)	(43)	(3,140)
Total Plant and Equipment	599	-	599	-
Reconciliation of the carrying amount of plant and equipment:				
Carrying amount at the beginning of the year	-	-	-	-
Additions	642	-	642	-
Disposals	-	-	-	-
Depreciation	(43)	-	(43)	-
Carrying amount at the end of the year	599	-	599	-

12. EXPLORATION EXPENDITURE CARRIED FORWARD (NON CURRENT)

	Consolidated 2004 $	Consolidated 2003 $	Parent Entity 2004 $	Parent Entity 2003 $
Deferred exploration expenditure - at cost				
Movements:				
Balance at beginning of the year	1,622,513	1,888,735	1,052,560	1,143,284
Acquisition through entity acquired	4,414,699	-	-	-
Direct expenditure	71,659	80,245	50,129	75,743
				-
	6,108,871	1,968,980	1,102,689	1,219,027
Less carrying value of tenements sold	(6,359)	-	(6,359)	-
Less exploration expenditure written off	(74,212)	(346,467)	(74,212)	(166,467)
	6,028,300	1,622,513	1,022,118	1,052,560

The ultimate recoupment of the above deferred exploration expenditure is dependent on the successful development and commercial exploitation or, alternatively, sale of the respective areas.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

		Consolidated		Parent Entity	
	Note	2004	2003	2004	2003
		$	$	$	$
13. PAYABLES (CURRENT)					
Sundry creditors		252,307	467,453	250,000	467,453
Unearned income		60,000	60,000	-	-
Loan from related parties	(i)	-	273,464	-	273,464
Amount payable to wholly owned entity		-	-	1,102,695	507,339
		312,307	800,917	1,352,695	1,248,256

(i) The loan from MR, PR, DA and JN Sullivan ("Vendors") arose as a result of a purchase of a number of tenements (approved by shareholders on 20 June 1996). PR Sullivan is a director of the Company. On 1 April 2004, the loan and total interest accrued, which was accruing at the rate of 12% per annum, was paid out in full.

14. INTEREST BEARING LIABILITIES (CURRENT)

	Note	Consolidated 2004 $	Consolidated 2003 $	Parent Entity 2004 $	Parent Entity 2003 $
Unsecured convertible note	(i)	300,000	500,000	300,000	500,000
Unsecured Loan	(ii)	125,152	123,003	125,152	123,003
		425,152	623,003	425,152	623,003

(i) On 6 February 2004 the Company allotted 3,333,333 shares to Retirewise Capital Australia Pty Ltd, at 6 cents per share relating to the redemption of a convertible note of $200,000.

The convertible note was issued on 30 June 1997 to Retirewise Capital Australia Pty Ltd. Under the original terms of the note the funds were to be advanced unsecured for a period of five years expiring on 29 June 2002. Since then Retirewise Capital Australia Pty Ltd has four times agreed to extend the term of the Convertible Note, the most recent time being on 24 May 2004 where they agreed to extend the Convertible Note 12 months to 29 June 2005. During the extended period Retirewise Capital Australia Pty Ltd will have the right to convert the note at 6 cents per share in the Company (originally 14 cents per share). Interest is payable half yearly at a rate of 7% per annum on the Convertible Note.

(ii) The unsecured loan carries interest at the Bank Bill Rate plus three per cent per annum. The loan may be satisfied at the lender's option by the issue of shares in the Company, should the Company have insufficient financial resources. However, the lender may at its discretion extend the payment date for the loan.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

	Note	Consolidated 2004 $	Consolidated 2003 $	Parent Entity 2004 $	Parent Entity 2003 $
15. CONTRIBUTED EQUITY					
Issued and paid up capital					
180,555,834 (2003: 107,806,334) ordinary shares, fully paid		20,630,217	15,553,431	20,630,217	15,553,431
		20,630,217	15,553,431	20,630,217	15,553,431
Ordinary shares					
Balance at the beginning of the year		15,553,431	15,463,431	15,553,431	15,463,431
Issue of shares for services	(a)	260,260	-	260,260	-
Conversion of convertible note	(b)	236,111	-	236,111	-
Rights issue	(c)	4,814,822	-	4,814,822	-
Costs associated with Rights Issue		(234,407)	-	(234,407)	-
Issue of shares in lieu of accrued interest and part satisfaction of debt		-	90,000	-	90,000
Balance at the end of the year		20,630,217	15,553,431	20,630,217	15,553,431

		No of Shares	No of Shares	No of Shares	No of Shares
Balance at the beginning of the year		107,806,334	104,806,334	107,806,334	104,806,334
Issue of shares for services	(a)	8,675,333	-	8,675,333	-
Conversion of convertible note	(b)	3,888,889	-	3,888,889	-
Rights issue	(c)	60,185,278	-	60,185,278	-
Issue of shares in lieu of accrued interest and part satisfaction of debt		-	3,000,000	-	3,000,000
Balance at the end of the year		180,555,834	107,806,334	180,555,834	107,806,334

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

15. CONTRIBUTED EQUITY (CONTINUED)

(a) On 8 December 2003, the Company allotted 8,675,333 shares (issued at 3 cents per share) to Troika Securities Limited, Hardrock Capital Pty Ltd and Geomett Pty Ltd to extinguish $260,260 of debt to those director related entities for normal consulting fees and other services dating back as far as August 2001. The shares were only allotted after Shareholder Approval at the Company's Annual General Meeting held on 28 November 2003.

(b) On 6 February 2004 the Company allotted 3,888,889 shares to Retirewise Capital Australia Pty Ltd: 3,333,333 shares (issued at 6 cents per share) relate to the redemption of a convertible note of $200,000; and the balance 555,556 shares (issued at 6.5 cents per share) to the issue of shares on the same terms as the 1998 Rights Issue.

(c) In late March, early April 2004 a total of 60,185,278 shares (issued at $0.08 per share) were allotted as the result of a fully underwritten one for two renounceable Rights Issue which raised $4,814,822.

(d) Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

(e) In the event of winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation.

Options over Unissued Capital

At 30 June 2004, no options were on issue. On 1 July 2004, the Company appointed Grange Securities Limited as Corporate Adviser to the Company for a period of 12 months. In lieu of paying a corporate advisory fee, the Directors of the Company issued 5,000,000 Options as follows to Grange Securities Limited:

2,000,000 Options exercisable at $0.20 each;
2,000,000 Options exercisable at $0.30 each; and
1,000,000 Options exercisable at $0.40 each.

All of the above Options will expire on 30 June 2007.

	Consolidated		Parent Entity	
	2004 $	2003 $	2004 $	2003 $
16. ACCUMULATED LOSSES				
Accumulated losses at the beginning of the year	12,969,832	10,935,111	13,371,755	11,417,034
Net loss for the current year	491,788	2,034,721	1,076,558	1,954,721
Accumulated losses at the end of the year	13,461,620	12,969,832	14,448,313	13,371,755

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

17. CONTROLLED ENTITIES

Name of Controlled Entity/ (Country Of Incorporation)	Percentage Owned 2004 %	2003 %	Company's Cost of Investment 2004 $	2003 $
GME Sulphur Inc (USA)	100	100	-	-
GME Investments Pty Ltd (Australia)	100	100	-	-
Golden Cliffs NL (Australia)	100	100	616,893	616,893
NiWest Limited (Australia)	100	38	4,561,313	3,138,045
			5,178,206	3,754,938

Controlled Entity Acquired

On 30 March 2004 the parent entity acquired the remaining 62.43% of NiWest Limited from Western Metals Copper Limited (Receivers and Managers appointed) (in liquidation). The total consideration payable was $1,423,268, including estimated stamp duty and other acquisition costs. As part of the acquisition the parent entity was also assigned the vendors loan balance from NiWest Limited and was immediately required to repay the loan balance to vendor of $1,265,025.

	Consolidated 2004 $	Consolidated 2003 $	Parent Entity 2004 $	Parent Entity 2003 $
Details of the acquisition are as follows:				
Fair value of net assets of controlled entity acquired				
Cash assets	10,782	-	-	-
Receivables	35,166	-	-	-
Carried forward exploration expenditure	4,414,699	-	-	-
Sundry creditors	(371,185)	-	-	-
Borrowings (external)	(1,265,025)	-	-	-
Borrowings (from parent entity)	(824,087)	-	-	-
	2,000,350	-	-	-
Less: Carrying value of investment in controlled entity prior to final acquisition	(577,082)	-	-	-
Total cost of investment	1,423,268	-	-	-
Less: amounts still due for payment	(168,220)	-	-	-
Cash consideration	1,255,048	-	-	-
Outflow of cash to acquire controlled entity, net of cash acquired				
Total cash consideration	1,255,048	-	1,255,048	-
Less: cash balances acquired	(10,782)	-	-	-
Outflow of cash	1,244,266	-	1,255,048	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

18. STATEMENT OF CASH FLOWS

(a) Reconciliation of the loss from ordinary activities after tax to the net cash flows from operations

	Consolidated 2004 $	Consolidated 2003 $	Parent Entity 2004 $	Parent Entity 2003 $
Loss from ordinary activities after tax	(491,788)	(2,034,721)	(1,076,558)	(1,954,721)
Depreciation	43	-	43	-
Write off of exploration expenditure	74,212	346,467	74,212	166,467
Exploration costs capitalised (excluding creditors)	(12,532)	(115,676)	(4,041)	(96,173)
Reimbursement of exploration cost capitalised (excluding debtors)	-	15,000	-	-
Write down in value of investments	896,466	1,673,122	896,466	1,673,122
Non cash interest paid	-	44,016	-	44,016
Net gain from sale of non current assets (excluding creditors and debtors)	19,891	-	19,891	-
Accrued loan interest refinanced as loan debt	38,259	3,875	38,259	3,875
Royalty income converted to loan debt	-	-	(133,000)	-
Decrease/(Increase) in receivables	7,788	22,074	(21,489)	22,074
Decrease/(Increase) in other current assets	(2,395)	-	(2,395)	-
Increase/(Decrease) in sundry creditors	(586,330)	109,163	(217,453)	109,162
Net Cash Flows from Operating Activities	(56,386)	63,320	(426,065)	(32,178)

(b) Reconciliation of Cash

	Consolidated 2004 $	Consolidated 2003 $	Parent Entity 2004 $	Parent Entity 2003 $
Cash balance comprises:				
Cash at bank	1,812,419	141,534	1,797,315	141,534
Deposits at call	11,000	11,000	11,000	11,000
	1,823,419	152,534	1,808,315	152,534

(c) Non Cash Financing and Investing Activities

	Consolidated 2004 $	Consolidated 2003 $	Parent Entity 2004 $	Parent Entity 2003 $
(i) Conversion of convertible note debt to equity	200,000	-	200,000	-
(ii) Conversion of accrued loan interest to equity	-	44,016	-	44,016
(iii) Conversion of principal loan to equity	36,111	45,984	36,111	45,984
(iv) Conversion of accrued loan interest to loan principal	38,259	3,875	38,259	3,875
(v) Outstanding cash calls offset as result of decision to dilute interest in associated entity rather than contribute funds	-	790,333	-	790,333

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

	Consolidated		Parent Entity	
	2004	2003	2004	2003
	$	$	$	$
19. AUDITORS' REMUNERATION				
Amounts paid for auditors, KPMG of subsidiary accounts	2,000	-	-	-
Amounts received or due and receivable by the auditors of GME Resources Ltd for:				
- an audit or review of the financial statements of the company and any other entity in the consolidated entity	12,325	9,000	12,325	9,000
- other services in relation to the company and any other entity in the consolidated entity	3,193	3,500	3,193	3,500
	17,518	12,500	15,518	12,500

20. SEGMENT REPORTING

There are no individual segments to be reported as the Company's operations are predominantly in the mining industry in Australia.

	Consolidated	
	2004	2003
	$	$
21. EARNINGS PER SHARE		
Basic and diluted earnings (loss) per share (cents)	(0.43)	(1.94)
Loss used in calculation of basic and diluted earnings per share	491,788	2,034,721
Weighted average number of ordinary shares outstanding during the year used in calculation of basic and diluted earnings per share.	113,299,496	105,077,567

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

22. DIRECTORS' AND EXECUTIVES DISCLOSURES

Names and positions held of parent entity directors and specified executives in office at any time during the financial year are:

Parent Entity Directors
- MD Perrott - Chairman
- PR Sullivan - Managing Director
- GM Motteram - Technical Director

Specified Executives
- JN Sullivan - General Manager

	2004 Fees $	2003 Fees $
Parent Entity Directors' Remuneration		
MD Perrott	30,000	30,000
PR Sullivan	24,000	24,000
GM Motteram	18,000	18,000
	72,000	72,000
Amounts outstanding at balance date to director related entities in respect of unpaid fees:		
Trade and other creditors and accruals	41,076	255,310

The only remuneration received by the directors is fee income.

	2004 Fees $	2003 Fees $
Specified Executives' Remuneration		
JN Sullivan (appointed 23 March 2004 on a consultancy basis)	19,773	-

The parent entity and its subsidiaries have no employees.

Shareholdings

Number of Shares held by Parent Entity Directors and Specified Executives

	Balance 1/7/03	Received as Remun-eration	Net Change Other*	Balance 30/6/04
Parent Entity Directors				
MD Perrott	4,676,580	-	12,335,714	17,012,294
PR Sullivan	6,793,430	-	4,746,717	11,540,147
GM Motteram	1,446,384	-	2,438,666	3,885,050
Specified Executives' Remuneration				
JN Sullivan	6,090,055	-	3,218,077	9,308,132
	19,006,449	-	22,739,174	41,745,623

* Net change other – refers to shares purchased or sold during the financial year, shares acquired as a part of a general rights issue and shares issued in lieu of past services provided (see note 27 for further details)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

22. DIRECTORS' AND EXECUTIVES DISCLOSURES (CONTINUED)

Remuneration Practices

The remuneration structure for executive officers, including executive directors, is based on a number of factors, including length of service, particular experience of the individual concerned and overall performance of the Company. The contracts for service between the Company and specified directors and executives are on a continuing basis and reviewed annually.

Transactions with Director Related Entities

All transactions were made under normal commercial terms and conditions unless otherwise stated.

Interest of $24,724 accrued during the year (2003: $32,816) on a loan from MR, PR, DA and JN Sullivan. PR Sullivan is a director of the Company. The loan of $273,464 arose as a result of a purchase of a number of tenements (approved by shareholders on 20 June 1996). The loan principal of $273,464 and total accrued interest of 207,503 was paid out in full on 1 April 2004. For more details regarding the loan refer to Note 13 Payables (Current).

Office management services, which includes administration support, office facilities, accounting and company secretarial services were provided during the year from Troika Management Ltd, an entity of which Mr Perrott is associated, to the value of $60,000 (2003: $60,000).

In order to preserve cash on 8 December 2003, the Company allotted 8,675,333 shares (issued at 3 cents per share) to Troika Securities Limited, Hardrock Capital Pty Ltd and Geomett Pty Ltd to extinguish $260,260 of debts to the director related entities for normal consulting fees and other services dating back as far as August 2001. The shares were only allotted after Shareholder Approval at the Company's Annual General Meeting held on 28 November 2003.

Details of the issue were as follows:

Related Director	Recipient Entity	Number of shares Issued	Debt Extinguished $
Michael Perrott	Troika Securities Limited	6,325,000	189,750
Peter Sullivan	Hardrock Capital Pty Ltd	1,320,000	39,600
Geoff Motteram	Geomett Pty Ltd	1,030,333	30,910
		8,675,333	260,260

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

23. FINANCIAL INSTRUMENT DISCLOSURES

(a) Interest Rate Risk

The consolidated entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates, and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

2004	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate Maturing: Within 1 year	Fixed Interest Rate Maturing: Over 1 year	Non-interest Bearing	Total
Financial Assets		$	$	$	$	$
Cash assets	4.95%	1,812,419	11,000	-	-	1,823,419
Receivables		-	-	-	41,218	41,218
		1,812,419	11,000	-	41,218	1,864,637
Financial Liabilities						
Payables		-	-	-	312,307	312,307
Interest bearing liabilities	7.2%	125,152	300,000	-	-	425,152
		125,152	300,000	-	312,307	737,459

2003	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate Maturing: Within 1 year	Fixed Interest Rate Maturing: Over 1 year	Non-interest Bearing	Total
Financial Assets		$	$	$	$	$
Cash assets	3.5%	141,534	11,000	-	-	152,534
Receivables		-	-	-	767,549	767,549
		141,534	11,000	-	767,549	920,083
Financial Liabilities						
Payables	12.0%	-	273,464	-	527,453	800,917
Interest bearing liabilities	7.2%	123,003	500,000	-	-	623,003
		123,003	773,464	-	527,453	1,423,920

(b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, to recognised financial assets is the carrying amount as disclosed in the balance sheet and notes to the financial statements.

The consolidated entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the consolidated entity.

(c) Net Fair Values

The net fair value of the financial assets and financial liabilities approximates their carrying value. Other than listed investments that are measured at the quoted bid price at balance date adjusted for transaction costs expected to be incurred, no financial assets and financial liabilities are readily traded on organised markets in standardised form.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to and forming part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

24. COMMITMENTS AND CONTINGENT LIABILITIES

There were no capital commitments or contingent liabilities, not provided for in the financial statements of the consolidated entity as at 30 June 2004, other than:

(a) Mineral Tenement Leases
In order to maintain current rights of tenure to mining tenements, the consolidated entity in its own right or in conjunction with its joint venture partners may be required to outlay amounts of approximately $521,820 (2003: $773,600) per annum on an ongoing basis in respect of tenement lease rentals and to meet the minimum expenditure requirements of the Western Australian and Queensland Mines Department. These obligations are expected to be fulfilled in the normal course of operations by the consolidated entity or its joint venture partners and are subject to variations dependent on various matters, including the results of exploration on the mineral tenements.

(b) Claims of Native Title
Legislative developments and judicial decisions (in particular the uncertainty created in the area of Aboriginal land rights by the High Court decision in the "Mabo" case and native title legislation) may have an adverse impact on the consolidated entity's exploration and future production activities and its ability to fund those activities. It is impossible at this stage to quantify the impact (if any) which these developments may have on the consolidated entity's operations.

Native title claims have been made over ground in which the consolidated entity currently has an interest. It is possible that further claims could be made in the future. However, the Company has not undertaken the considerable legal, historical, anthropological and ethnographic research which would be necessary to determine whether any current or future claims, if made, will succeed and, if so, what the implications would be for the consolidated entity.

25. INTERESTS IN BUSINESS UNDERTAKINGS - JOINT VENTURES

The Company has entered into a number of agreements with other companies to gain interests in project areas. These interests will be earned by expending certain amounts of money on exploration expenditure within a specific time. The Company can however, withdraw from these projects at any time without penalty. The amounts required to be expended in the next year have been included in note 24 – Commitments and Contingent Liabilities.

26. RELATED PARTIES

Transactions with controlled entities

During the year, the Company received royalty income from NiWest Limited to the value of $133,000 (2003: $133,000) prior to NiWest Limited becoming a controlled entity.

Total amounts receivable and payable from entities in the wholly-owned group at balance date:

	2004 $	2003 $
Non-Current Receivables		
Loans net of provisions for non recovery	2,465,152	753,710
Current Payables		
Loans	1,102,695	507,339

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

27. AFTER BALANCE DATE EVENTS

Since 30 June 2004, the following significant events have occurred:

On 1 July 2004, the Company announced the appointment of Grange Securities Limited as Corporate Adviser to the Company for a period of 12 months.

In lieu of paying a corporate advisory fee, the Directors of the Company resolved to issue 5,000,000 Options as follows to Grange Securities Limited:

- 2,000,000 Options exercisable at $0.20 each;
- 2,000,000 Options exercisable at $0.30 each; and
- 1,000,000 Options exercisable at $0.40 each.

All of the above Options will expire on 30 June 2007.

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

The financial effect of the issue of the above Options (if any) has not been brought to account for the financial year ending 30 June 2004.

DIRECTORS' DECLARATION

The directors of the company declare that

1. the financial statements and notes set out on pages 19 to 42, are in accordance with the Corporations Act 2001:

   (a) comply with Accounting Standards and the Corporations Regulations 2001; and

   (b) give a true and fair view of the financial position as at 30 June 2004 and of the performance for the year ended on that date of the company and consolidated entity.

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 made in accordance with a resolution of the Board of Directors.

Peter R Sullivan
Managing Director
24 September 2004
Perth
Western Australia

HLB Mann Judd
Chartered Accountants

INDEPENDENT AUDIT REPORT

To the members of
GME RESOURCES LIMITED

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position as at 30 June 2004, statement of financial performance, statement of cash flows and accompanying notes to the financial statements for the year then ended, and the directors' declaration of GME Resources Limited ("the company"). The financial report includes the consolidated financial statements of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether or not the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and of their performance as represented by the results of their operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

HLB Mann Judd (WA Partnership)
15 Rheola Street West Perth 6005. PO Box 263 West Perth 6872 Western Australia. DX 238 (Perth) Telephone +61 (08) 9481 0977. Fax +61 (08) 9481 3686.
Email: hlb@mjwa.com.au. Website: http://www.hlb.com.au
Partners: Ian H Barsden, Terry M Blenkinsop, Litsa Christodulou, Wayne M Clark, Lucio Di Giallonardo, Colin D Emmott, Trevor G Hoddy, Norman G Neill, Peter J Speechley

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Audit opinion

In our opinion, the financial report of GME Resources Limited is in accordance with:

(a) the Corporations Act 2001, including:

(i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2004 and of their performance for the year then ended; and

(ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and

(b) other mandatory financial reporting requirements in Australia.

HLB Mann Judd

HLB MANN JUDD
Chartered Accountants

Norman G Neill

Perth, Western Australia
24 September 2004

N G NEILL
Partner

SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 17 September 2004.

A. Distribution of Securities

(a) Analysis of numbers of shareholders by size and holding:

Category (size of holding)	Ordinary Shares
1 - 1,000	319
1,001 - 5,000	187
5,001 - 10,000	109
10,001 - 100,000	376
100,000 and over	166
	1,157

(b) There were 467 holders of less than a marketable parcel of ordinary shares.

(c) The percentage of the total holding of the twenty largest shareholders is:

Ordinary Shares 64.1%

B. Voting Rights

The voting rights attaching to each class of shares are set out below:

(a) Ordinary Shares:

On a show of hands, every member present in person or by proxy shall have one vote and upon a poll each share shall have one vote.

C. Substantial Shareholders

Substantial shareholders who have notified the Company as at 17 September 2004, are:

Name	%
Retirewise Capital Pty Ltd	18.15
Troika Securities Ltd	9.42
Guiness Peat Group plc, Mid-East Minerals Limited and Retford Resources NL	5.63
Peter Ross Sullivan	6.20
ANZ Nominees Ltd	5.43
James Noel Sullivan and Associated Entities	5.06

SHAREHOLDER INFORMATION

The names of the 20 largest security holders of each class of equity security as at 17 September 2004 are listed below:

ORDINARY SHARES

Name	Number	Issued Shares Held %
Retirewise Capital Pty Ltd	32,777,351	18.15
Troika Securities Ltd	17,012,294	9.42
Retford Resources NL	10,166,002	5.63
ANZ Nominees Limited	9,802,070	5.43
Hardrock Capital Pty Ltd	6,699,584	3.71
James Noel Sullivan	5,698,645	3.16
Peter Ross Sullivan	4,495,313	2.49
Geomett Pty Ltd	3,885,050	2.15
Armada Trading Pty Ltd	3,000,000	1.66
Perpetual Trustee Company Limited	3,000,000	1.66
Donald Anthony Sullivan	3,000,000	1.66
Clodene Pty Ltd	2,400,000	1.33
Tunza Holdings Pty Ltd	2,136,438	1.18
Mervyn Ross Sullivan	2,090,625	1.16
Warnford Nominees Pty Limited	1,750,000	0.97
Ingot Capital Management Pty Ltd	1,699,746	0.94
Douglas Stuart Butcher	1,600,000	0.89
Suzanne Maree Walley	1,515,340	0.84
K Biggs Enterprises Pty Ltd	1,500,000	0.83
Topsfield Pty Ltd	1,500,000	0.83
	115,728,458	**64.10**

TENEMENT DIRECTORY

Project	Tenements	Company Interest	Comments
Abednego West	P39/2690 - 2691 converted to MLA39/427 P39/3732 - 3733 P39/3735 - 3741 converted to MLA39/824 P3743 - 3746 converted to MLA 39/825 P39/3751 converted to MLA39/823	All tenements 20%	All tenements Delta Gold 80%
Chain Bore	MLA37/581	100%	
Clermont	EPMA11575, EPMA11806, EPMA12164	40%	Joint Venture with Australian Gold Fields NL (in Liquidation)
Duck Hill	E31/100 converted to MLA31/214	50%	GME 50%, Zuks 50%
Eucalyptus	P39/3459 - 3460 converted to MLA39/744 ELA39/703 E39/256 converted to MLA39/666 P39/2445 - 2446 converted to MLA39/430 and MLA39/344 E39/386 converted to MLA39/665 - 666 and MLA 39/674 M39/313 E39/480 converted to MLA39/803 - 804 E39/368 converted to MLAs 39/568, 39/570, 39/616 and 39/802 M39/289	Anglo 100% NiWest 100% Oldcity 100%	NiWest 100% nickel rights NiWest 100% nickel rights
Hawks Nest	M38/218, P38/2515 converted to MLA 38/683	100%	
Ilgarari	E52/1452	100%	Murchison Copper Mines Option to purchase copper rights only
Laverton Downs	E38/506 converted to MLA38/587 - 588 and 38/782 - 784	100% nickel rights only	
Leonora East	P37/4106 converted to MLA37/566 P37/5330 - 5333, P37/5477 converted to MLA37/1059 MLA37/876	All tenements 100%	Montrose earning 70% Montrose earning 70%
Linden	P39/3417 - 3418 converted to MLA39/797 - 798 P39/2974 - 2976 converted to MLA 39/500	100% 10%	90% Haoma Mining NL
Macey Hill	P39/3815 converted to MLA39/845	100%	
Mertondale	P37/4201 - 37/4205 converted to MLA37/591	100%	
Mt Kilkenny	E39/688 converted to MLA39/878 - 879	100%	
Mt Morgan South	MLA39/702 - 703, MLA 39/481, MLA39/777	100%	
Murrin Murrin (Golden Cliffs)	MLA39/554 and MLA39/457	100%	
Murrin Murrin (Minara Resources)	MLA39/426, 456, 552, 553 and 569	All tenements 100% rights to non nickel laterite	Nickel laterite royalty 20 cents per tonne

Project	Tenements	Company Interest	Comments
Murrin Murrin HEPI	P39/3366, 3369, 3372 - 3375 converted to MLA 39/717 - 718 P39/3742 converted to MLA39/819	All tenements 100%	
Murrin Murrin North	P39/3515 - 3517 converted to MLA39/758 MLA39/757 and MLA39/759	All tenements 100%	
Pyke Hill	ELA39/633	100%	
White Kauri	P37/4149 converted to MLA37/580 P37/5264 converted to MLA37/1091 PLA37/5555	All tenements 100%	

LEGEND:

E:	*Exploration Licence*	*P:*	*Prospecting Licence*	*EPM:*	*Exploration Permit for Minerals*	*PLA:*	*Prospecting Licence Application*
M:	*Mining Lease*	*ELA:*	*Exploration Licence Application*	*EPM A:*	*Exploration Permit for Minerals Application*	*MLA:*	*Mining Lease Application*