GME RESOURCES LIMITED

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ASX Announcement – 30 September 2008

The Companies Announcement Office
ASX Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Dear Sirs

2008 ANNUAL REPORT

Please find attached the following documents for immediate release to ASX and lodgement with ASIC:

- The 2008 Annual Report incorporating the Audited Financial Statements for GME Resources Limited and Controlled Entities for the Year ended 30 June 2008.

Yours sincerely

Bradley Wynne
Company Secretary

GME RESOURCES LTD

ABN 62 009 260 315

ANNUAL REPORT

2008

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CORPORATE DIRECTORY

DIRECTORS

Chairman
Michael Delaney PERROTT **AM** B.Com

Managing Director
David John VARCOE B.Mining Engineering (Hons), M.AusIMM

Executive Director
James Noel SULLIVAN FAICD

Director
Peter Ross SULLIVAN BE, MBA

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

COMPANY SECRETARY

Bradley John WYNNE B.Com(Dist), C.A.

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STOCK EXCHANGE LISTING

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

STATE OF REGISTRATION

Western Australia

CHAIRMAN'S LETTER

Dear Shareholder

Considerable progress, once again, has been achieved on the development of the NiWest nickel laterite project during the past 12 months. Your Board believes this is a world class project and this is particularly so in light of the changed economic order the world is experiencing at the present time.

Dave Varcoe became the Managing Director at the commencement of this calendar year and replaced Jamie Sullivan who has served the Company well for the past 4 years. We're grateful to Jamie for his contribution and wish him well as he focuses on his other business activities. We are delighted Jamie continues as a Board member.

Dave is a mining engineer who was recruited from Rio Tinto with 20 years experience. The Board believes he has the drive and experience to deliver on this world class project.

Our Managing Director led the completion of the strategic review by April this year which emphasised the project to be better undertaken at a greater size and scope than previously envisaged in the pre feasibility study completed in May 2007. The Niwest nickel laterite project is now envisaged to produce between 30,000 and 35,000 tonnes of nickel and deliver a pre tax NPV in the order of $2 - $3 billion.

The resource base was reviewed once again during the year and the results demonstrate a very robust project at the highest quality. Ongoing metallurgical test work continues to underpin positive results seen to date. The ten column tests completed to date support large scale heap leaching as the preferred treatment option.

The Company continues to evaluate opportunities as they arrive and the acquisition of the Wanbanna tenements in October 2007 provided an opportunity to expand the resource base of the project. Wanbanna provides additional tonnes of quality ore in support of the larger project.

The primary focus of the year ahead will be the continuation of the bankable feasibility study and demonstration trial heap leach at the Hepi project site.

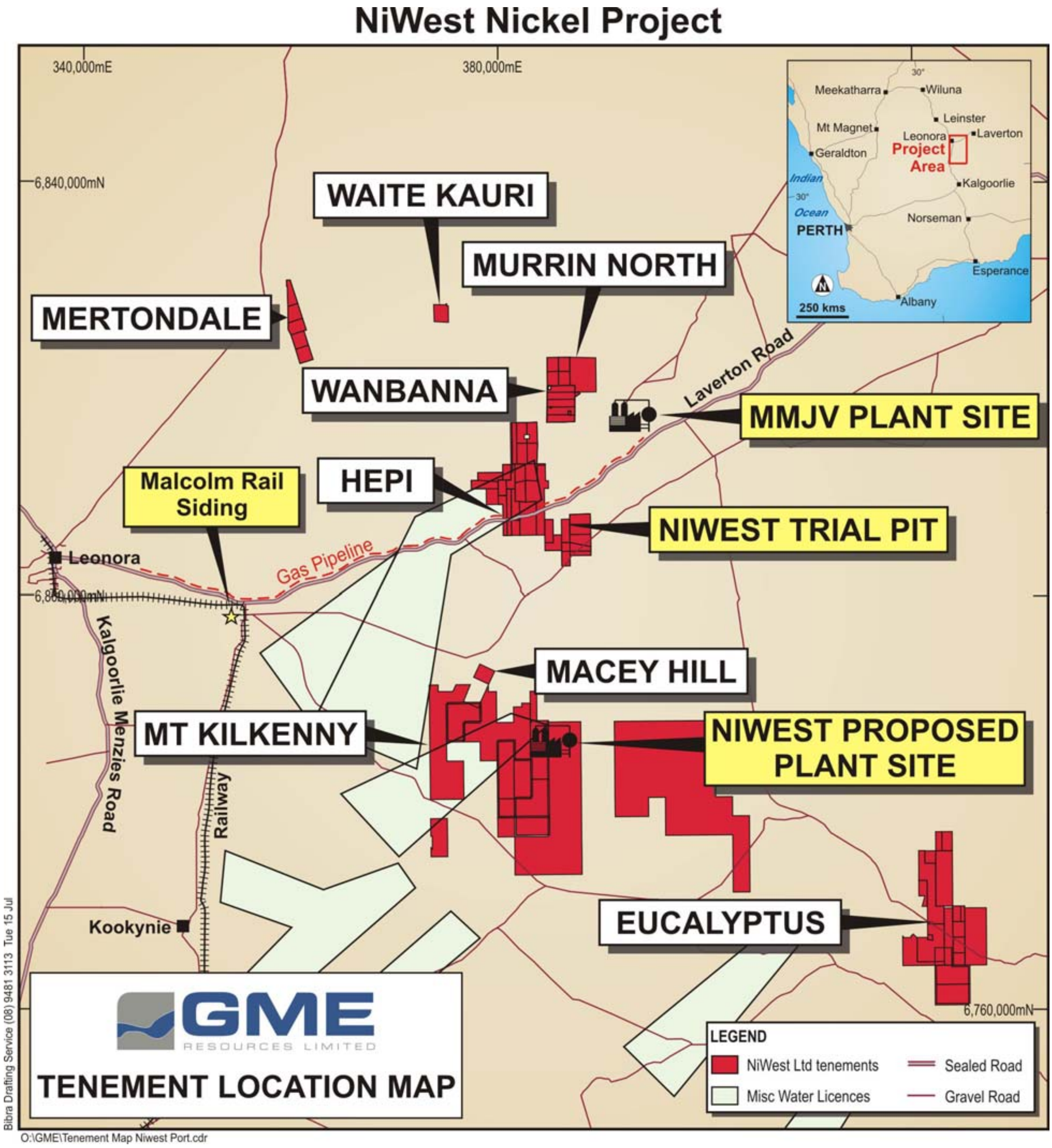
The management team has been expanded during the year to allow for the increased workload and we're grateful to them. I especially thank my fellow Board members for their continued diligence and involvement.

We look forward to seeing you at our Annual General Meeting.

Yours faithfully

MICHAEL PERROTT AM
Chairman

REVIEW OF OPERATIONS



NiWest Nickel Laterite Heap Leach Project

Over the year the Company has continued to develop and advance the NiWest Nickel Laterite Heap Leach Project. This is a company changing project and we believe it is the BEST undeveloped nickel laterite project in Australia due to its size, location and amenability to simple heap leaching.

In 2007 the Company completed a pre-feasibility study (PFS), produced by independent Engineering Consultants Aker Kvaerner, which demonstrated the project was technically feasible and economically very attractive.

During the year the Company conducted a strategic review of the NiWest Project in light of metallurgical test work results, ongoing resource development work and other

significant strategic developments. Based on this work, the Company believes that the optimal size of the NiWest Project is between 3.5 and 4.5 million tonnes per annum (Mtpa) of ore stacked, producing between 30,000 and 35,000 tonnes of nickel metal per annum. This represents a significant increase on the production capacity envisaged by the PFS. The Company has now committed to a Bankable Feasibility Study (BFS) for the project which will include a demonstration mining and heap leach trial.

The Company announced in October 2007 that it had completed an agreement with a private company to acquire a strategic 80% interest in the Wanbanna project located 4 kilometres west of the Murrin Murrin Nickel Refinery and abutting the Company's Murrin North project. This project fits well with the resource that is being defined to support the NiWest Project.

In June the company acquired the necessary equipment to undertake the Heap Leach demonstration trial. This equipment is now being refurbished.

The Company has commenced water exploration in the region with initial success.

During the year the company made good progress with environmental studies working towards final project approvals.

The NiWest Nickel Laterite Project comprises of seven separate project areas in the Murrin Murrin region of the North Eastern Goldfields of Western Australia. Located on granted mining leases, total resources of 112 million tonnes averaging 0.95% nickel and 0.07% Cobalt (0.7%Ni cut off grade) have been defined through extensive systematic drilling programs.

The area is well suited to Heap Leach processing being located in low rainfall, semi desert environment that is sparsely vegetated and generally flat open country. The area is well serviced with infrastructure such as railway linked to deep water ports, bitumen road, and gas pipeline and is in close proximity to the township of Leonora.

These fundamental aspects combined with the positive PFS results underpin the growing confidence your Board has in the project.

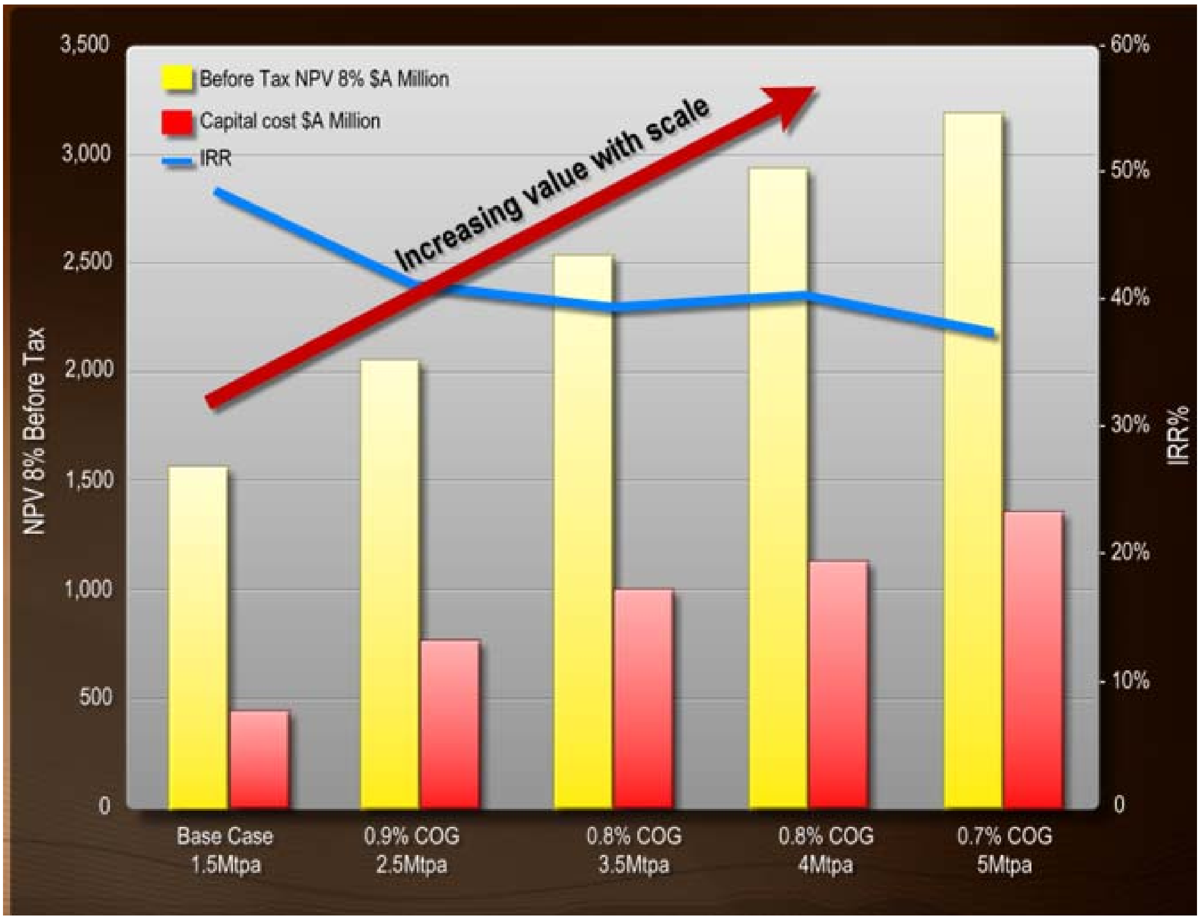
Strategic Review

In April 2008 the Company announced the outcome of a strategic review of the NiWest Project This work was initiated based on recent column test work results, ongoing resource development work and other significant strategic developments. As part of this process, the Company has reviewed a number of project development options based on variations of the heap leach processing route for nickel laterite ores.

This work led the Company to the conclusion that the optimal size of the NiWest Project is between 3.5 and 4.5 million tonnes per annum (Mtpa), producing between 30,000 and 35,000 tonnes of nickel metal. This represents a significant increase on the production capacity detailed in the Pre-Feasibility Study.

The Company envisages developing a world class Nickel and Cobalt processing plant in the Northern Goldfields.

Preliminary estimates suggest that the expanded development strategy would require a capital investment in the order of A$1.0 to A$1.2 billion with a pre-tax NPV in the range of A$2.0-3.0 billion. This represents a substantial change to the size and scope of the NiWest Project, with the potential to deliver significantly enhanced returns to shareholders. The Company believes that the project needs to be at this critical size for success and that the larger project will be less capital intensive than the project envisaged in the PFS. This is reflected in the chart below which shows a range of different NPV outcomes based on different production levels and metal prices:



The Company advises that this work is strategic in nature and will be supported by further work as part of the feasibility study planned for 2008 / 2009.

Pre Feasibility Study (PFS)

The Company has previously announced the results of the pre-feasibility study into the technical and economic merits of the application of heap leach technology to the NiWest Project. This work commenced in October 2006 and was completed in 2007. The work was undertaken by internationally recognised engineering consultants Aker Kvaerner.

Heap Leaching of Nickel Laterites is similar to traditional gold and copper heap leach processing where ore is mined, agglomerated and stacked in piles or heaps. The piles are irrigated with sulphuric acid that percolates through the ore piles dissolving the contained metals. The pregnant solution is then processed to recover the dissolved metals.

PFS Project Financial Indicators

A financial model produced for the project using the established resources, capital estimates and operating costs generated from the PFS supports an economically robust project. Based on nickel and cobalt prices of US$10 and US$20 per pound respectively, the model shows the project has the potential to produce an operating cash surplus of A$4.7 billion before tax over the projected 20 year mine life. Using a discount rate of 8% this equates to a Net Present Value of A$1.68 billion before tax.

PFS Capital Costs

Aker Kvaerner has estimated the total capital costs to construct the project to be $455 million.

The cost estimate includes provision for an acid plant, metal precipitation plant, power generation, site clearing, civil earthworks, and borefield and site access roads. Allowances for engineering procurement construction management and contingencies are also taken into account. In terms of capital costs the NiWest project is at the lower end of capital costs curve.

PFS Operating Costs

Operating cost estimates in the PFS were US$3.30/lb Nickel after cobalt credits are taken up operating costs fall to US$2.37/lb Nickel.

Further analysis of the operating costs estimates will be undertaken as the Feasibility Study progresses to investigate where potential savings can be made in the heap leach and solution processing areas.

Feasibility Study

The Company has commenced a feasibility study into the expanded project and anticipates completion in 2009. The study is managed by Mr Mick Ryan who commenced with the Company in February 2007. Mr Ryan has significant experience in heap leach operations and nickel laterite projects including having previously held the position of General Manager Metallurgy at Murrin Murrin.

In May 2008 the Company appointed Simulus to complete the process engineering design for the NiWest project. Simulus is a Perth based process engineering company, which specialises in metallurgical consulting, focusing on the fields of hydrometallurgy and nickel processing. Their expertise in mineral processing, modeling and design coupled with nickel process and heap leach experience underpinned GME's decision to select Simulus as preferred plant designers for the NiWest Laterite Project Feasibility Study.

The scope of work includes:

- Review of metallurgical test work completed to date and make recommendations of further design work required to support the Feasibility Study and detailed design;
- Facilitate and supervise further test work in conjunction with GME;
- Complete Feasibility process design criteria;
- Complete Feasibility mass and energy balances;
- Process optimisation studies
- Review and recommendations on metallurgical testwork programs, including monitoring of the Hepi trial heap leach and laboratory testwork
- Preparation of flowsheets, process and instrument diagrams, layouts and necessary drawing for the Study
- Preparation of equipment specifications, lists and datasheets
- Preparation of process operating cost model
- Process risk assessment

This work will form the basis of detailed heap leach and plant design work for estimation of capital and operating costs in conjunction with the project engineering group. The selection process for the appropriate engineering group is currently underway.

Geological Resource Base

The Company has engaged Ravensgate Minerals Industry Consultants (Ravensgate) to review its entire geological resource base. Ravensgate has developed Krigged resource models for the major project areas that make up the NiWest resource base. These resource models are the product of industry best practice for geological modelling which provides greater confidence for the project. The work incorporates recent drilling and mapping and therefore is based on a new geological interpretation. **The percentage of measured and indicated resource has increased significantly** reflecting the higher confidence levels resulting from the updated drilling, modelling and geological mapping.

The new resource summary is shown below. A global resource is reported at a 0.7%Ni cut-off based on a combination of the Krigged resource models constructed by Ravensgate for the Hepi, Mt Kilkenny and Eucalyptus areas as well as GME's polygonal resource estimates for satellite deposit areas (Table 1).The updated Krigged models are also reported at 0.8% Ni cut-off (Table 2) which the Company expects to have a high conversion rate to reserves based on preliminary work to date.

0.7% COG	CATEGORY	Tonnes (Millions)	%Ni	%Co	Ni Metal	Co Metal	%
TOTAL	Measured	27.18	0.98	0.06	266,198	17,023	24%
	Indicated	29.07	0.94	0.06	274,699	17,785	26%
	Inferred	56.01	0.93	0.07	521,395	40,719	50%
	Combined	112.26	0.95	0.07	1,062,292	75,527	100%

Table 1 Global Resource at 0.7% Nickel cut-off incorporating both Polygonal and Krigged resource models

KRIGGED RESOURCES for HEPI, MT KILKENNY AND EUCALYPTUS

0.8% Cut Off	Tonnes (Millions)	Ni %	Co %	%
Measured	19.70	1.049	0.068	36%
Indicated	17.39	1.001	0.066	32%
Inferred	17.73	0.959	0.062	32%
Total	54.82	1.004	0.066	100%

Table 2 Krigged resources for the main project areas at Hepi, Mt Kilkenny and Eucalyptus.

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Stephen Hyland, Mr Bill Hill and Mr Steve Goertz who are members of The Australasian Institute of Mining and Metallurgy. Mr Hyland is a Principal Consultant with Ravensgate Minerals Industry Consultants who consults to the Company. Mr Hill is self employed and consults to the Company when required. Mr Hill, Mr Goertz, and Mr Hyland have sufficient experience, which is relevant to the style of mineralization and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Mineral Resources and Ore Reserves. Mr Hill, Mr Goertz and Mr Hyland consent to the inclusion in the report of the matters based on information provided in the form and context in which it appears.

At a production rate of 3.5Mtpa the measured and indicated resource in Table 2 supports a mine life of 10 years with another 5 years based on the inferred ore. The Company will continue to develop its 0.8% cut-off resource base to support a long life operation.

The ore zones show high continuity and consistency at the 0.8%Ni cut-off. The continuity of the ore zones at Hepi, Eucalyptus and Mt Kilkenny can be seen in the following figures, with the 0.8% Ni ore zones continuous over strike lengths of up to 5 kilometres.

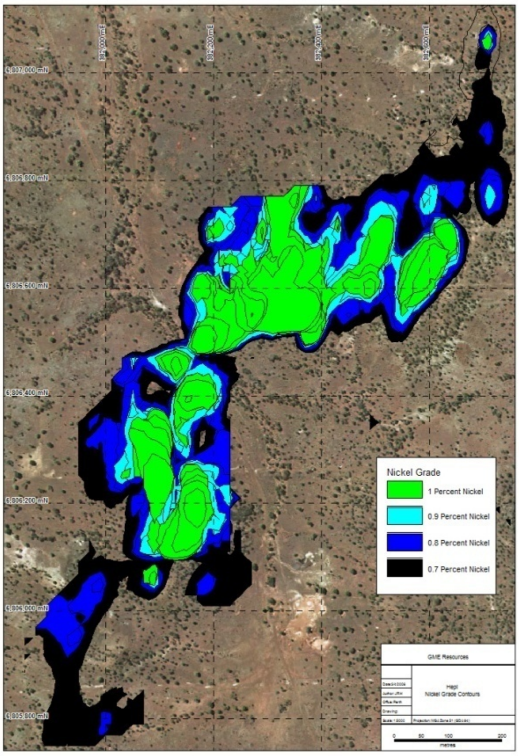


Figure 1 Grade Contours Hepi Project Area

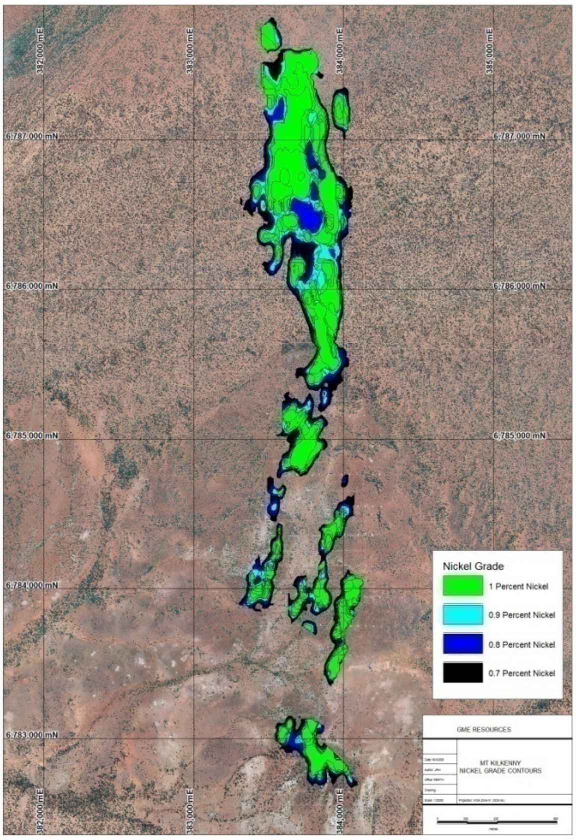


Figure 2 Grade Contours Mt Kilkenny Project

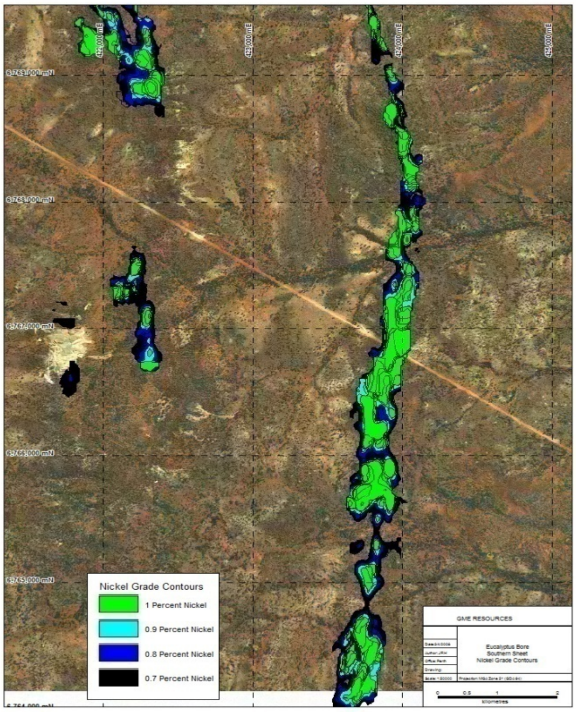


Figure 3 Grade Contours Eucalyptus Project Area

To facilitate the resource modeling and to ensure a high standard resource is produced the Company undertook further ground based geological mapping across a number of tenements. This task assists the Company's geologists to provide high quality resource models and to focus future exploration efforts.

In May 2008 GME commissioned its DataShed geological database. The DataShed product is considered an industry leading drill hole database. Maxwell Geoservices built the database and conducted a full audit of the geological data set.

Metallurgical Test Work
The Company has now completed 10 x 4 metre column tests on ore collected by sonic drilling from the project areas. Four of these columns were completed in September 2007 and have been fully reconciled. The other six column tests are now finished leaching and await final reconciliation hence the results are preliminary. All results have been very positive and support large scale heap leaching of the ore. Two of the columns showed lower extractions than expected due to testing of alternative operating strategies to determine the effects of varying acid concentrations in feed solutions, binder addition rates and different methods for controlling magnesium and iron concentrations in solution.

4 Metre Column Tests	Number Days	Extraction %Ni	Extraction %Co	Column Head Grade	Reconciliation
Hepi #1	120	**82.6**	99.1	1.74	Final
Mt Kilkenny North #1	120	**80.5**	98.7	1.29	Final
Mt Kilkenny Central #1	120	**78.8**	86.0	1.37	Final
Mt Kilkenny North #2	120	**81.3**	89.1	1.12	Final
Eucalyptus Central	120	77	41	1.25	***Preliminary***
Eucalyptus North	120	69	46	1.14	***Preliminary***
Mt Kilkenny Camel Back	120	79	36	1.35	***Preliminary***
Hepi #3	120	67	38	1.98	***Preliminary***
Hepi #4	120	66	37	1.98	***Preliminary***
Mt Kilkenny	120	57	20	1.10	***Preliminary***

Table 3 – 4 metre column results

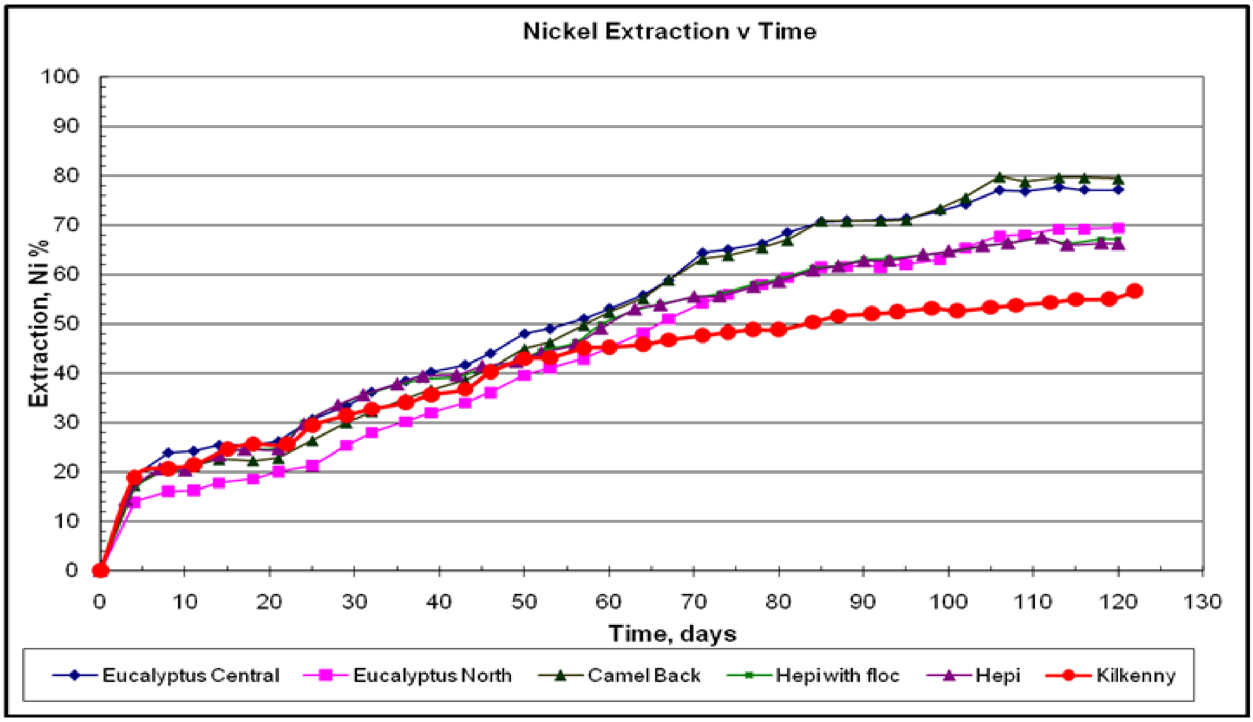


Figure 4 Preliminary extraction results for the second set of columns

Using actual pregnant solution from column tests a range of preliminary testing for the downstream processing plant has been undertaken to review a number of potential options. The work has confirmed the selected flowsheet to produce a mixed sulphide precipitate using hydrogen sulphide.

Further downstream testwork is planned to develop detailed design parameters for the selected unit operations, this will consist of:

- Pre-reduction and Solution Neutralisation testing with H_2S and local calcrete
- Sulphide precipitation with H_2S
- Acid regeneration of process solutions
- Neutralisation of residue solutions and solids
- Materials handling testwork with TUNRA on ore and heap leach residue, and other process residues

This testwork results will be used along with the results from a pilot plant using bulk solutions from the demonstration trial for final plant design.

Heap Leach Demonstration Trial

On 30 June 2008 the Company took delivery of the key components for the heap leach trial, this equipment is now in Kalgoorlie and is being refurbished.

The Hepi Demonstration Trial will consist of a single heap of approximately 4,000 tonnes of ore, with provision for additional heaps if required. Planning is already well advanced for the Trial, all permits are in place. Water resources required for the Trial have been identified and are being secured.

Figure 5 Trial components being refurbished

Close spaced RC Grade control drilling and mine design work have been completed for the Hepi pit for the Demonstration Trial. The grade control drilling defined a resource of 289,000 tonnes of high grade ore at 1.53% Ni (0.8 % Ni Cut-off).

Importantly, the grade control drilling provided a 117% positive reconciliation in metal over the original resource model. This suggests that the Geological model is very robust in the Hepi area. The grade control model is shown below in Figure 6.

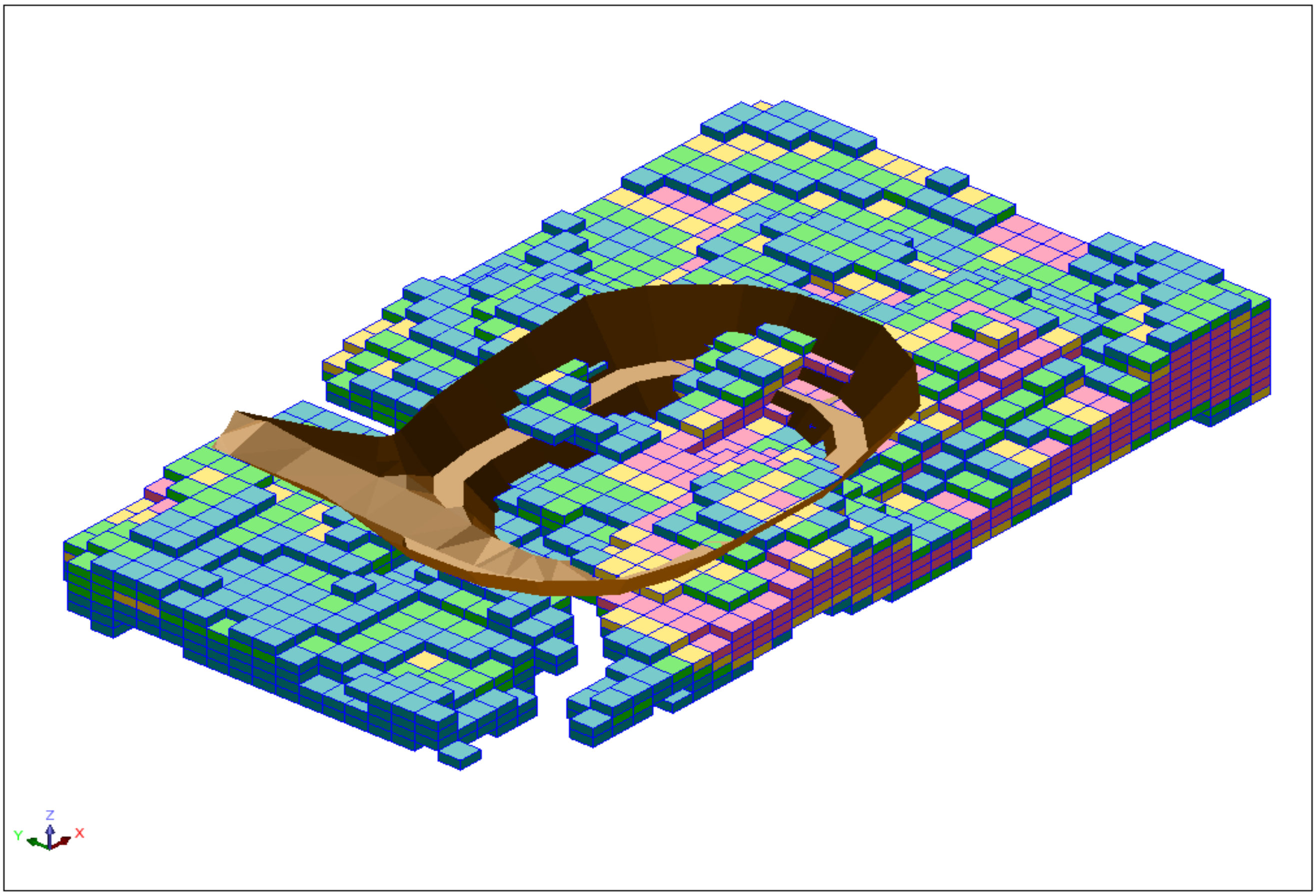


Figure 6 Grade control trial pit and larger grade control model

Water Exploration

Water exploration drilling targeting water resources identified by geophysical surveys in 2007, by our water consultant Coffey Geoscience was undertaken. A total of nine exploration bores were drilled during the period, three of which were successful and cased with initial flowrates of over 4 L/second. Two of the three developed bores have yielded good quality water and are located within the Kilkenny mine area. The other bore is saline, but suitable for process water.
In addition to this initial program other potential aquifers have been identified and will be explored.

Licensing of bores and modelling of the aquifers will continue to be undertaken as development progresses to achieve the necessary long-term water supply requirements for the project.

This work has given the company confidence of finding adequate water supplies for the project.

Environmental Studies

With the long-term nature of environmental studies to obtain project approvals for a project of this scale work commenced in early 2007 and continues. The work is being coordinated by Rapallo Environmental.

In addition to obtaining approvals for the trial mining and processing at Hepi, a number of environmental studies are continuing over all areas of the project. Areas covered this year include:

- Fauna survey at Hepi and Mt Kilkenny,
- Flora survey at Hepi, with preliminary survey at Mt Kilkenny
- Ethnographic survey overall project areas

Work programs planned include;

- Emission modeling for the project;
- Archeology surveys
- European heritage surveys
- Fauna surveys over Eucalyptus and Murrin North
- Flora surveys over Mt Kilkenny, Eucalyptus and Murrin North
- Soil and waste residue surveys and characterization.

In addition, GME has commenced

1. A program of work with Kings Park on selected plant species identified around the Hepi project area. This work is intended to mitigate any potential long-term issues regarding at risk flora species.
2. Rehabilitation trials with Edith Cowan University (ECU), these preliminary trials will assist in development of long-term programs and strategies for rehabilitation of waste dumps and process residues for the project.

Capital Raising August 2007

In August 2007 the Company completed a significant capital raising to progress the Feasibility Study through a Renounceable Entitlement Issue to shareholders.

The one for ten entitlement issue at 50 cents per share raised a total of $10,403,966.50 and resulted in an increase of issued capital of 20,807,933 ordinary shares. The issue was strongly supported with 94.4% of entitlements taken up.

Nickel Market Fundamentals

The major use of Nickel is as stainless steel (65% of total consumption), which is used extensively in industrial applications. Other uses include application in high technology alloys for use in batteries, turbines, water treatment plants and nuclear power stations. World nickel consumption is currently around 1.4 million tonnes per annum this market is expected to continue to grow strongly, driven by the rapid urbanisation of countries including China. China's stainless steel production has grown at 40% per year over the last 8 years (Metalytics 2008). Laterite Nickel ores constitute 73% of global resources but represent just 44% on global processing this imbalance is expected to correct over time (Figure 8). The Nickel price in the long term must reflect the relative cost of processing the laterite ore types.

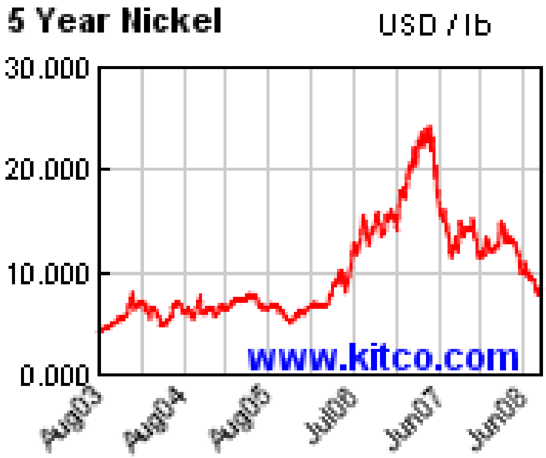


Figure 7 Historical nickel prices $US/lb

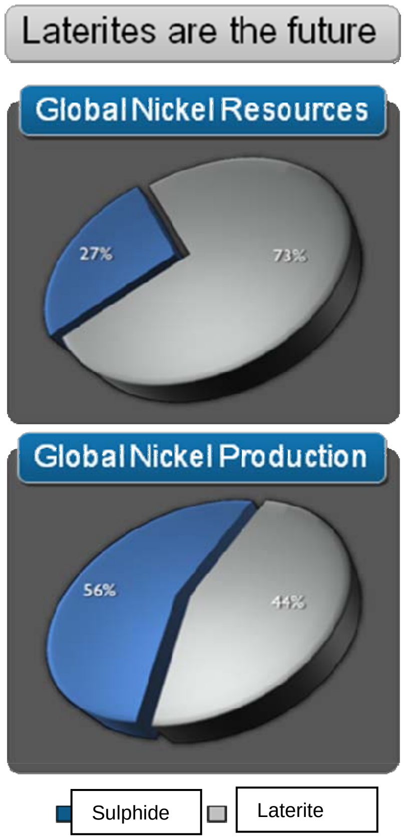


Figure 8 Nickel laterite profile

Wanbanna Acquisition

The Company announced in November 2007 that it had completed agreement with a private Company to acquire a strategic 80% interest in the Wanbanna project. The project area is located approximately 5 kilometres west of the Murrin Murrin Nickel refinery.

The Wanbanna project area contains a significant inferred nickel laterite resource and is considered to be highly strategic as it abuts the Company's Murrin North project and provides a material increase in the overall resources held in the NiWest Nickel Laterite project.

Exploration Work

The Company has significantly increased its technical team with the recruitment of 3 geologists during the year. The Company has also invested in GIS and drill hole database software to further enhance the exploration effort.

Over the year the Company has completed two reverse circulation drilling programs and one Sonic drill core program. RC drilling took place at Hepi, Wanbanna and Murrin North.

Sonic holes were drilled at Hepi, Mount Kilkenny and Waite Kauri. The Sonic programs provided core samples for the column test work.

The following section provides an overview of the resource drilling work that was completed.

Drilling statistics for 2007-2008 are shown in the following table:

Project	RC Metres	RC Holes	Sonic Metres	Sonic Holes
Hepi	3,612	118	53	2
North	2,185	47		
Wanbanna	7,129	114		
Waite Kauri			57	2
Mount Kilkenny			297	5
Total	**12,926**	**279**	**407**	**9**

Table 4 Drilling statistics for 2007/2008

Project areas

Hepi

M39/717- 718, M39/819

KRIGGED RESOURCES for HEPI

0.8% Cut Off	Tonnes (Millions)	Ni %	Co %	%
Measured	1.77	1.098	0.065	57%
Indicated	0.71	0.949	0.065	23%
Inferred	0.61	0.894	0.072	20%
Total	3.08	1.023	0.066	100%

Table 5 Hepi krigged resource

Figure 9 - Hepi project - 2.5 Hectare clearing for trial pit

Hepi sonic drill program

53 metres of Sonic core were completed at Hepi in two drill holes. The drilling took place in the trial pit area to provide samples for further metallurgical test work.

The holes were designed to twin former RC holes providing a correlation of grade and thickness from Sonic to RC drilling. Results from the sonic drilling was comparable to previous RC results with high grade RC hole HPC168 intersecting 21 metres averaging 2.45% Nickel compared to 22.5 metres averaging 2.44% Nickel from the sonic core drilling.
Hepi sonic drilling results

Hole _ID	Easting	Northing	From	To	Interval	Ni%	Co%
HPS010	382264	6806591	6.5	22.3	15.75	1.11	0.09
HPS011	382276	6806545	6.0	30.0	24	2.48	0.08
including			***10.50***	***27.00***	***16.50***	***3.00***	***0.10***

Table 6 Hepi sonic drilling results

Hepi grade control drill program

The mining proposal for the trial mining at the Hepi project has been was approved. The proposal covered the mining of approximately 25,000 tonnes of saprolite ore at an average grade of 1.4% Nickel. Total tonnes to be mined, including low grade ore and waste are expected to be 130,000 tonnes.

Initial clearing of 2.5 hectares for grade control drilling over the proposed trial pit area was completed in December 2007.

The grade control drilling program took place in February 2008 and consisted of 3,612 metres of RC drilling in 118 drill holes to an average depth of 31 metres. The grade control area measured approximately 150 by 100 metres. The purpose of the drilling was to delineate ore for the Hepi trial and to assist in the understanding of metal grade distribution and variation. The grade control results produced a higher average grade than the resource drilling over the same area.

Results from the grade control drilling will ultimately be used to provide reconciliation of tonnes and grade mined (Figure 10 and Table 7).

Some of the best results from drilling are shown in the table below.

Hole_ID	Easting	Northing	From	To	Interval	Ni %	Co %
GC009	382240	6806600	1.0	22.0	21	1.07	0.07
GC015	382249	6806575	8.0	26.0	18	1.32	0.08
GC017	382275	6806575	12.0	27.0	15	2.05	0.16
GC018	382287	6806575	8.0	26.0	18	2.19	0.09
GC019	382300	6806575	13.0	28.0	15	1.96	0.15
GC020	382300	6806562	11.0	33.0	22	1.97	0.11
		including			7	3.03	0.24
GC021	382287	6806563	9.0	27.0	18	2.28	0.08
		including			5	3.28	0.14
GC022	382274	6806563	11.0	26.0	15	1.93	0.07
GC035	382263	6806550	6.0	25.0	19	1.88	0.04
GC036	382288	6806550	6.0	29.0	23	2.50	0.14
		including			15	3.08	0.20
GC040	382212	6806537	8.0	27.0	19	1.42	0.07
GC041	382225	6806538	9.0	30.0	21	1.54	0.10
GC044	382262	6806538	9.0	30.0	21	2.26	0.05
GC045	382275	6806537	4.0	30.0	26	2.46	0.09
GC046	382287	6806537	6.0	30.0	24	2.28	0.13
		including			6	3.19	0.23
GC047	382300	6806537	13.0	32.0	19	2.30	0.10
GC059	382300	6806525	7.0	24.0	17	1.89	0.11
GC067	382262	6806588	8.0	23.0	15	1.56	0.12
GC068	382275	6806588	9.0	24.0	15	1.99	0.24
GC069	382286	6806588	8.0	24.0	16	2.02	0.15

Table 7 Hepi grade control drilling summary of best intercepts (does not include all results).

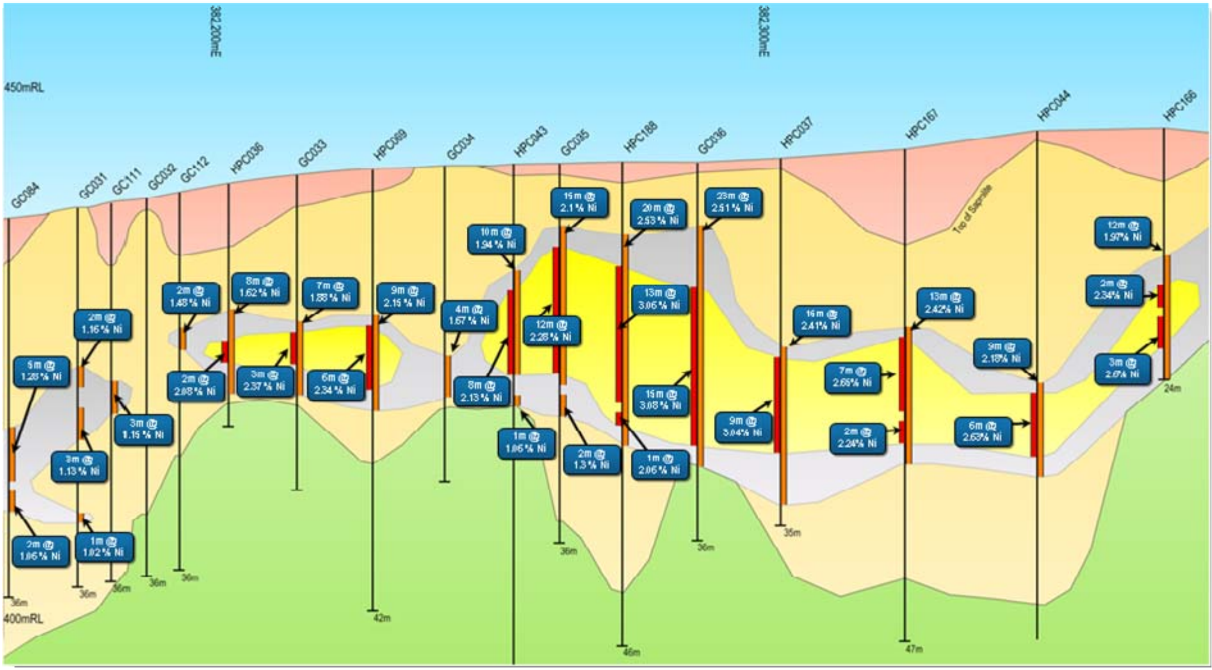


Figure 10 Hepi Grade Control section 6,806,550 North

Mount Kilkenny

E39/688, E37/878, E39/990, E39/1107-1108, M39/878 – 879, P39/4827

Mount Kilkenny resource calculation

Ravensgate Minerals Industry Consultants calculated a krigged resource for Mount Kilkenny using last year's major RC drilling program as the basis. This resulted in a substantial increase in each JORC confidence category:

KRIGGED RESOURCES for Mt Kilkenny

0.8% Cut Off	Tonnes (Millions)	Ni %	Co %	%
Measured	12.08	1.051	0.070	51%
Indicated	7.39	1.021	0.073	31%
Inferred	4.14	0.982	0.065	18%
Total	23.61	1.030	0.070	100%

Table 8 Mt Kilkenny krigged resource

Mount Kilkenny sonic drill program

Five sonic drill holes for 297 metres of core were completed at Mount Kilkenny to provide samples for further metallurgical test work.

The Mt Kilkenny sonic core drilling successfully obtained metallurgical sample material below the alluvial cover within the Mt Kilkenny North resource zone. Metallurgical column leach tests were prepared with the sonic core.

Mount Kilkenny sonic drilling results

Hole _ID	Easting	Northing	From	To	Interval	Ni%	Co%
MKS010	383917	6786450	26.8	54.0	27.2	1.60	0.14
including			***28.20***	***38.70***	***10.50***	***2.03***	***0.14***
MKS011	383594	6786644	37.5	51.0	13.5	1.49	0.15
MKS012	383912	6786754	44.3	71.5	27.3	1.37	0.14
including			***45.00***	***52.50***	***7.50***	***2.11***	***0.25***
MKS013	383723	6787052	39.0	58.0	19.0	1.42	0.09
MKS014	383607	6787350	40.5	58.5	18.0	1.55	0.09

Table 9 Mt Kilkenny sonic drilling results

Eucalyptus Bore

M39/289, M39/313, M39/344, M39/430, M39/568, M39/570, M39/616, M39/665 – 666, M39/674, M39/744, M39/802 - 804

Ravensgate Minerals Industry Consultants calculated a krigged resource for Eucalyptus Bore. This result is shown in the table below:

KRIGGED RESOURCES for Eucalyptus

0.8% Cut Off	Tonnes (Millions)	Ni %	Co %	%
Measured	5.86	1.029	0.065	21%
Indicated	9.29	0.989	0.061	33%
Inferred	12.97	0.954	0.061	46%
Total	28.12	0.981	0.062	100%

Table 10 Eucalyptus krigged resource

No exploration work was undertaken on the Eucalyptus project during the year. Geological fact mapping and aeromagnetic interpretation is planned for the near future along with infill and ore body edge RC drilling programs.

Murrin North

M39/758

Resource Drilling

The Murrin North lease is located 4km to the North West of the Murrin Murrin nickel refinery and 15km north of the Leonora to Laverton Highway. In June 2008, 2,185m were drilled in 47 RC drill holes (MNC050 to MNC096).

Some of the best results from drilling are shown in the table below.

Hole_ID	Easting	Northing	From	To	Interval	Ni %	Co %
MNC054	388854	6821963	33.0	49.0	16	0.85	0.06
MNC055	388915	6821596	27.0	37.0	10	0.82	0.04
MNC056	388975	6821534	49.0	58.0	9	1.08	0.01
MNC056	388975	6821534	26.0	33.0	7	1.06	0.04
MNC057	389015	6821484	30.0	39.0	9	0.81	0.04
MNC058	388619	6821330	37.0	58.0	21	1.50	0.06
MNC059	388681	6821265	27.0	36.0	9	1.17	0.05
MNC065	389298	6820000	24.0	31.0	7	0.86	0.09
MNC086	389401	6820802	22.0	35.0	13	0.85	0.20
MNC090	388350	6821034	30.0	37.0	7	1.24	0.10
MNC093	388083	6820733	22.0	30.0	8	1.23	0.10
MNC094	388137	6820669	25.0	36.0	11	1.01	0.06
MNC096	387843	6820403	32.0	51.0	19	0.84	0.06

Table 11 Murrin North resource drilling summary of best results (does not include all results)

Geological Mapping

Jigsaw Geoscience completed a 1:10,000 scale geological fact mapping and aeromagnetic interpretation at Murrin North during the year.

The mapping assists the Company's geologists to provide high quality resource models and to target future exploration efforts.

Rehabilitation

GME is a responsible corporate entity and undertakes progressive clean up and rehabilitation of drill locations. Collar cutting and chip tray collection of all available historic RC drill holes at Murrin North was completed during the year. All drill hole plastic collars were removed and open holes plugged to Department of Industry and Resources standards.

Wanbanna

M39/460

In October 2007 the Company announced that it had reached agreement with privately owned company Wanbanna Pty Ltd to acquire an 80% interest in Prospecting Licences 39/2831-2835 (MLA39/460) covering 9.7 square kilometres. The project area is located approximately 5 kilometres west of the Murrin Murrin Nickel refinery.

The Wanbanna project area contains a significant inferred nickel laterite resource and is considered to be highly strategic as it abuts the Company's Murrin North project and provides a material increase in the overall resources held in the NiWest Nickel Laterite project.

The following table shows the inferred polygonal resource estimates, calculated at various nickel cut off grades from the existing wide spaced air core drilling completed at the project. An updated resource is being calculated.

Wanbanna Project Inferred Polygonal Resource Statement

Ni Cut Off Grade	Million Tonnes	%Ni	%Co
0.70%	14.9	1.00	0.07
1.00%	5.5	1.28	0.10
1.20%	3.0	1.41	0.11

Table 12 Wanbanna inferred polygonal resource

Mining Lease 39/460 was granted on 6th December 2007.

Drill program

During June 2008 a 100 by 100m spaced RC program at Wanbanna provided complete drilling coverage of the Wanbanna ultramafic for a JORC compliant inferred resource to be calculated.

7,129m were drilled in RC drill holes WNC001 to WNC114.

Some of the best results from drilling are shown in the table below.

Hole_ID	Easting	Northing	From	To	Interval	Ni %	Co %
WNC003	387497	6818203	28.0	39.0	11	1.34	0.09
WNC011	387399	6818104	29.0	51.0	22	1.29	0.07
WNC013	387499	6818001	26.0	40.0	14	1.18	0.11
WNC014	387397	6818000	26.0	40.0	14	1.02	0.06
WNC015	387299	6818000	21.0	39.0	18	1.29	0.06
WNC020	387400	6817901	33.0	49.0	16	1.19	0.15
WNC022	387200	6817903	22.0	43.0	21	1.09	0.05
WNC025	387489	6817804	36.0	59.0	23	1.08	0.09
WNC026	387403	6817803	26.0	50.0	24	1.01	0.04
WNC027	387301	6817805	25.0	44.0	19	1.49	0.10
WNC028	387201	6817804	27.0	37.0	10	1.42	0.08
WNC029	387103	6817802	24.0	44.0	20	1.01	0.07
WNC030	387499	6817701	35.0	49.0	14	1.27	0.09
WNC031	387400	6817699	28.0	43.0	15	1.11	0.11
WNC033	387198	6817698	24.0	37.0	13	1.31	0.09
WNC036	387403	6817598	22.0	42.0	20	1.25	0.09
WNC038	387197	6817600	23.0	37.0	14	1.06	0.10
WNC039	387101	6817598	24.0	39.0	15	1.28	0.06
WNC042	387297	6817498	24.0	34.0	10	1.10	0.07
WNC043	387197	6817499	27.0	41.0	14	1.01	0.03
WNC044	387097	6817500	24.0	42.0	18	1.52	0.07
WNC047	387298	6817399	24.0	36.0	12	1.24	0.07
WNC049	387101	6817403	26.0	40.0	14	1.17	0.07
WNC054	387308	6817303	26.0	39.0	13	1.18	0.04
WNC056	387101	6817303	25.0	38.0	13	1.28	0.04
WNC065	386999	6817206	29.0	41.0	12	1.07	0.11
WNC066	386896	6817198	24.0	43.0	19	1.07	0.07
WNC079	386502	6817099	32.0	45.0	13	1.20	0.07
WNC085	386701	6816998	21.0	35.0	14	1.17	0.08

Table 13 Wanbanna drill program summary of best results (does not include all results)

Waite Kauri

M37/1216

Waite Kauri sonic drill program

Two sonic drill holes for 57 metres of core were completed at Waite Kauri. The core was cut in half to supply samples for further metallurgical test work.

Waite Kauri sonic drilling results

Hole _ID	Easting	Northing	From	To	Interval	Ni%	Co%
WKS010	374716	6827163	4.5	21.0	16.5	1.76	0.12
WKS011	387692	6827143	3.0	34.0	31.0	2.03	0.09

Table 14 Waite Kauri sonic drilling results

Rehabilitation

GME is a responsible corporate entity and undertakes progressive clean up and rehabilitation of drill locations. Collar cutting and chip tray collection of all available historic drill holes at Waite Kauri was completed by during the year. All historic drill hole plastic and steel collars were removed and open holes plugged to Department of Industry and Resources standards.

Mertondale

M 37/591

M 37/591 was granted on 20th February 2008. This tenement contains a nickel laterite bearing ultramafic over eight kilometres long, with a reported inferred resource of 1.2 million tonnes at 1.24% Nickel and 0.06% Cobalt.

RC infill drilling will be completed to verify and upgrade this resource in due course.

Further to GME's environmental responsibilities to clean up its current drilling all drill sample reject from historic RC drilling has been removed from the Mertondale tenement and all holes plugged. Over 230 holes were cleaned up during the year.

Duck Hill

E31/733

E31/733 was granted on 7th August 2008. This tenement contains a nickel laterite bearing ultramafic over six kilometres long, with a reported inferred resource of 1.5 million tonnes at 1.27% Nickel and 0.30% Cobalt.

RC infill drilling will be completed to verify and upgrade this resource in due course.

GOLD

Gold Assets

GME and its subsidiary Golden Cliffs NL own a number of prospective gold projects in the Leonora – Laverton region. The amount of work undertaken on the respective areas varies from soil sampling through to diamond drilling and resource definition.

The majority of the tenements that make up the gold assets are in the process of reversion, where new prospecting licenses have been applied for but are yet to be granted. Several new tenements were applied for that either adjoined existing holdings or were considered prospective for gold or base metals.

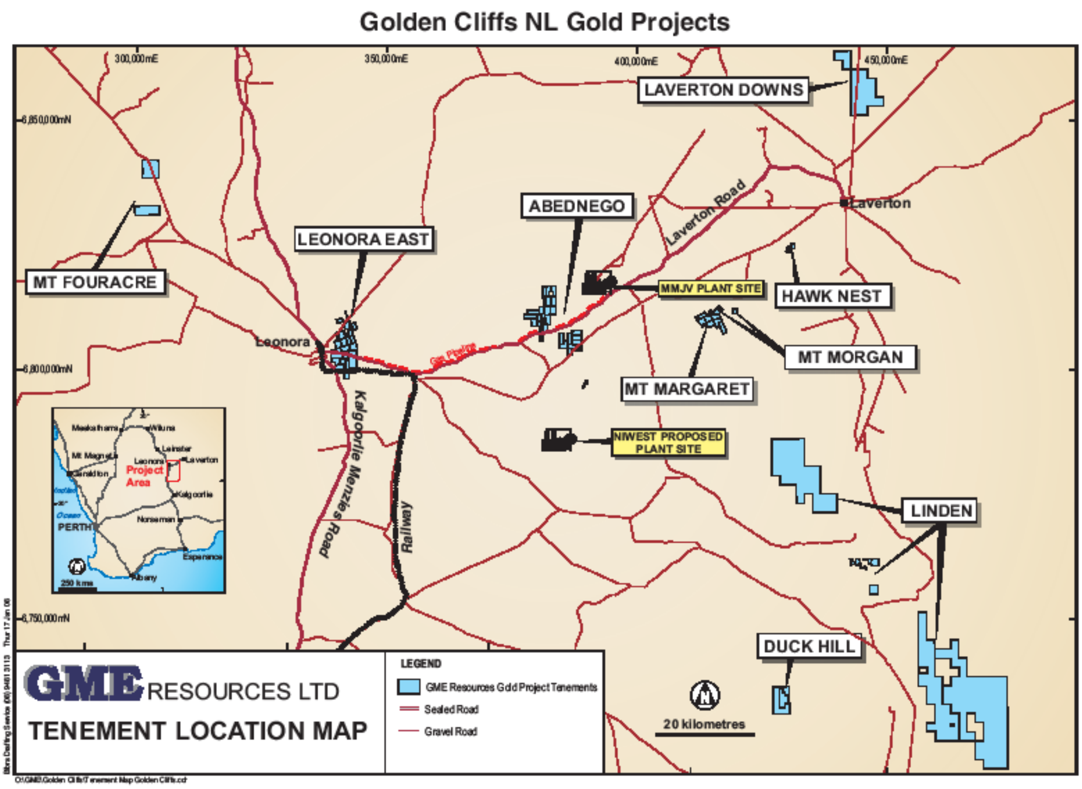


Figure 11 GME Resources Gold tenement location map

During the reporting period the Company completed aircore drilling on three of the projects. Drilling statistics and significant results are shown in the following tables.

Drilling statistics

Project Area	Drilling	Holes	Metres
Leonora East	Aircore	12	423
Laverton Downs	Aircore	9	279
Hawk Nest	Aircore	6	71

Table 15 Gold tenement drilling statistics

Abednego

M 39/427, M 39/825

M 39/427 was granted on 21st May 2008. M 39/825 was granted on 22nd May 2008. These tenements contain 'walk-up' gold targets requiring infill drilling.

All other leases that form part of this project are Prospecting Lease applications due to be granted in the coming year.

Hawk Nest

M 38/218

The Hawk Nest lease contains a small open pit, mined for supergene gold during the 1980's. The tailings and pit surrounds were the subject of extensive rehabilitation by the Company during the year.

Aircore Drilling Program

Six aircore holes targeted the structure previously mined during the open pit operations. Significant results are tabulated below:

Hole No	Easting	Northing	From	To	Interval	Au g/t
Hawk Nest						
HAC001	430940	6824195	0	4	4	4.05
HAC002	430940	6824199	12	17	5	0.98
HAC004	430945	6824187	0	2	2	0.82

Table 16 Hawk Nest aircore drilling summary of best results (does not include all results)

Laverton Downs

E 38/1876 and E38/2066

The Laverton Downs leases are prospective for both Nickel laterite and gold resources. There is over 7km of nickel laterite bearing ultramafic striking through E38/1876. The historic Fairfield gold mining centre also occurs on E38/1876.

Aircore Drilling Program

Twelve aircore holes targeted the historic Fairfield workings. Significant results are tabulated below.

Hole No	Easting	Northing	From	To	Interval	Au g/t
Laverton Downs						
FAC001	448263	6853541	22	24	2	1.32
			32	34	2	36.3
FAC004	448269	6853433	0	2	2	1.19
			20	22	2	2.13
FAC005	448264	6853440	18	28	10	1.85
FAC006	448258	6853440	28	32	4	2.75

Table 17 Laverton Downs aircore drilling summary of best results (does not include all results)

Leonora East

P37/5650-5656, P37/6931-6932, E37/871

The Laverton Downs leases are prospective for both Nickel laterite and gold resources. There is over 7km of nickel laterite bearing ultramafic striking through E38/1876. The historic Fairfield mining centre also occurs on E38/1876.

Aircore Drilling Program

Nine aircore holes targeted historic workings and cross-lodes. Significant results are tabulated below:

Hole No	Easting	Northing	From	To	Interval	Au g/t
Leonora East						
TEAC001	342977	6806704	10	12	2	1.19
TEAC002	342633	6809451	40	44	4	2.68
TEAC003	342632	6809461	54	56	2	2.74
TEAC005	342148	6809448	38	39	1	1.77
TWAC001	342165	6807007	8	12	4	3.2
TWAC002	342157	6807012	28	30	2	1.41
TWAC003	342134	6806953	16	18	2	2.65
TWAC004	342127	6806958	10	14	4	1.64
TWAC006	342139	6806863	26	28	2	2.63
TWAC007	342131	6806961	22	24	2	4.23
TWAC007			26	28	2	2.23

Table 18 Laverton Downs aircore drilling summary of best results (does not include all results)

Linden Project

P39/3417-3418, E39/1181 and E39/1337

The Linden Prospecting leases cover the historic Devon and Olympic gold mines. Residual resources are present and require further evaluation.

Mount Morgan South

Prospecting Lease Applications only

The Mount Morgan South tenements are prospective for nickel and gold. The Prospecting Lease applications will be granted in the coming year.

The Company is in the process of reviewing all the gold assets held in the group.

CORPORATE GOVERNANCE STATEMENT

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.

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.

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.

Board Independence

The Board consists of five directors, but up to 10 directors can serve on the board. Mr David Varcoe and Mr James Sullivan are the only executives, the remainder are non executive. Currently the five directors are:

Michael D Perrott	Chairman	62 years	Director since 1996
David J Varcoe	Managing Director	45 years	Director since 2008
James N Sullivan	Executive Director	47 years	Director since 2004
Peter R Sullivan	Director	52 years	Director since 1996
Geoffrey M Motteram	Director	59 years	Director since 1997

Mr Motteram and Mr P Sullivan are considered Independent Directors on the Board according to the definitions by the Australian Securities Exchange Corporate Governance Council ("**Council**").

The Managing Director, Mr D Varcoe is a full time executive, and Mr J Sullivan is also an executive and is also a substantial shareholder of the Company. The Chairman, Mr Perrott, is also not considered "*Independent*" by the definitions of the Council as he is indirectly a substantial shareholder in 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:

- 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.

- 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.

- The Independent Directors confer on a "*needs*" basis with the Chairman with such discussion if warranted and considered necessary by the Independent Directors.

- 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.

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.

Chairman

The current Chairman is Mr Michael D Perrott. Mr Perrott brings a wealth of business experience, connections and drive to the Board.

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

The Chairman's role includes:

- Providing effective leadership on formulating the Board's strategy;
- Representing the views of the Board to the public;
- 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;
- Guiding the agenda, information flow and conduct of all board meetings;
- Reviewing the performance of the board of directors; and
- Monitoring the performance of the management of the Company.

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:

- One third of directors (excluding the Managing Director);
- Directors appointed by the Board to fill casual vacancies or otherwise;
- Directors who have held office for more than three years since the last general meeting at which they were elected.

Details on Current Directors

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

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:

- Shareholders;
- Employees;
- Community;
- Creditors;
- Contractors; and
- Government (Federal, State and Local).

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

- Comply with the laws and regulations both by the letter and in spirit;
- Act honestly and with integrity;
- Avoid conflicts of interest by not placing themselves in situations which result in divided loyalties;
- 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;
- To keep non-public information confidential except where disclosure is authorised or legally mandated; and
- Responsible and accountable for their actions and report any unethical behaviour.

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 Securities Exchange of any transactions conducted by them in the Company's securities within five business days after the transaction occurs.

Integrity of Financial Reporting

GME's Managing Director and Chief Financial Officer report in writing to the Board:

- 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

- 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.

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.

Timely and Balanced Disclosure to Australian Securities 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 Securities 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 Securities Exchange. This role includes responsibility for compliance with the continuous disclosure requirements of the Australian Securities Exchange Listing Rules and overseeing and coordinating information disclosures to Australian Securities Exchange, analysts, brokers, shareholders the media and the public.

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

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:

- Continuous disclosure announcements made to the Australian Securities Exchange;
- Distribution of the annual report to shareholders together with a notice of meeting;
- Posting of half-yearly results and all Australian Securities Exchange announcements on the Company's website;
- Posting of all major drilling results;
- Posting of all media announcements on the Company's website; and
- Calling of annual general meetings and other meetings of shareholders to obtain approval for board action as considered appropriate.

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

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.

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 Securities Exchange.

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.

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.

Remuneration

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.

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, where applicable, is set out in the Directors' Report.

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 Directors 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.

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*".

The Company's core values are summarised as follows:

- Provide value to its shareholders through growth in its market capitalisation;
- Act with integrity and fairness;
- Create a safe and challenging workplace;
- Be participative and recognise the needs of the community;
- Protect the environment;
- Be commercially competitive; and
- Strive for high quality performance and development.

DIRECTORS' REPORT

Your directors present their report of GME Resources Limited and its controlled entities for the financial year ended 30 June 2008.

Directors

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

Michael Delaney Perrott	(Non executive - Chairman)
David John Varcoe	(Managing Director) (appt 18 Feb 2008)
James Noel Sullivan	(Executive Director)
Peter Ross Sullivan	(Non executive - Director)
Geoffrey Mayfield Motteram	(Non executive - Director)

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

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.

Operating and Financial Review
Operating Results

The net loss after income tax attributable to members of the Group for the financial year to 30 June 2008 amounted to $460,137 (2007: $403,906).

Overview of operating activity

During the year the Company conducted a strategic review of the NiWest Project in light of metallurgical test work results, ongoing resource development work and other significant strategic developments. Based on this work, the Company believes that the optimal size of the NiWest Project is between 3.5 and 4.5 million tonnes per annum (Mtpa) of ore stacked, producing between 30,000 and 35,000 tonnes of nickel metal per annum. This represents a significant increase on the production capacity envisaged by the PFS. The Company has now committed to a Feasibility Study (FS) for the project which will include a demonstration mining and heap leach trial.

For a more detailed summary of activities for the year refer to the Review of Operations set out elsewhere in this Annual Report.

Financial Position

At the end of the financial year the consolidated entity had $5,150,024 (2007: $714,667) in cash and at call deposits.

Carried forward exploration expenditure was $25,119,793 (2007: $12,440,384).

During the year issued capital increased from 220,365,998 in 2007 to 253,173,931 ordinary shares at the end of 2008. The movement of 32,807,933 ordinary shares resulted from a 1:10 entitlement issue on the 10^{th} August 2007, as well as the issue of 12,000,000 fully paid ordinary shares in the company as payment for acquisition of the Wanbanna tenements.

Dividends

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

Significant Changes in State of Affairs

On 3 August 2007, Directors closed a 1 for 10 renounceable entitlement issue at 50 cents. The entitlement issue was not underwritten and closed with 94.4% acceptances. The Company's share registry received acceptances for 20,807,933 ordinary shares at an issue price of 50 cents per share raising a total of $10,403,966.50 (before costs of the issue).

The Company elected not to place the shortfall of 1,228,667 shares or 5.6%.

The Company announced in September 2007 that it had completed agreement with a private company to acquire a strategic 80% interest in the Wanbanna project located 5 kilometres west of the Murrin Murrin Nickel Refinery and abutting the Company's Murrin North project. This project fits well with the resource that is being defined to support the NiWest Project.

During the year the Company conducted a strategic review of the NiWest Project in light of metallurgical test work results, ongoing resource development work and other significant strategic developments. Based on this work, the Company believes that the optimal size of the NiWest Project is between 3.5 and 4.5 million tonnes per annum (Mtpa) of ore stacked, producing between 30,000 and 35,000 tonnes of nickel metal per annum. This represents a significant increase on the production capacity envisaged by the PFS. The Company has now committed to a Feasibility Study (FS) for the project which will include a demonstration mining and heap leach trial.

Other than the issues referred to above, there were no significant changes in the state of affairs of the consolidated entity during the financial year.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the Group's operations, the results of those operations or the Group's state of affairs in future financial years.

Likely Developments

The consolidated entity's areas of interest are in the exploration stage, and although the results of work carried out to date are encouraging it is not possible to predict the 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.

The Board is following a strategic plan for the growth of the Group, however, further information about likely developments future prospects and business strategies as they pertain to the operations and expected results of those operations have not been included in this report, as the Directors' reasonably believe that disclosure of this information would be likely to result in unreasonable prejudice to the Group.

Information on Directors and Company Secretary

Michael Delaney Perrott AM BCom FAIM
(Chairman) 62 Years
Director since 1996

Mr Perrott has been involved in the construction and contracting industry since 1969. He is currently Chairman and director of various listed and unlisted public and private companies. Mr Perrott is also a member of the Board of Notre Dame University and SANE Australia and a council member for the State Ministerial Council for Suicide prevention. Through associated entities, Mr Perrott is a substantial shareholder in GME Resources Limited.

Mr Perrott has been Chairman of the Company since his appointment as a director in 1996.

Other current directorships of listed companies
Director of Port Bouvard Limited since 1998 and Chairman since December 2000, director of Portman Limited since June 1997, director of Schaffer Corporation Limited since February 2005 and director of Burrup Holdings Ltd since May 2008.

Former directorships of listed companies in last 3 years
Non executive chairman of Gage Roads Brewing Co Limited from November 2006 to October 2007.

David John Varcoe B. Mining Engineering (Honours) MAusIMM
(Managing Director) 45 Years
Director since 2008

Mr Varcoe is a highly qualified mining engineer with over 20 years experience that includes extensive senior managerial and technical positions with Australia and international resource companies. His experience includes positions at Sons of Gwalia, Centaur, WMC, and Goldfields St Ives and for the period prior to joining GME as Principal Consultant Rio Tinto Technical Services based in the United Kingdom and Perth WA.

Mr Varcoe has not been a Director of any other public listed entities during the past three years.

James Noel Sullivan FAICD
(Executive Director) 47 Years
Director since 2004

Mr Sullivan has over 20 years experience in commerce providing services to the mining and allied industries.

Mr Sullivan was instrumental in establishing and managing the Golden Cliffs Prospecting Syndicate which acquired and pegged a number of prospective tenements in the Eastern Goldfields. The Golden Cliffs Prospecting Syndicate was subsequently acquired by the company in 1996. Mr Sullivan has extensive knowledge in mining and prospecting in the North Eastern Goldfields and in particular on matters involving tenement administration, native title negotiation and supply and logistics of services. Mr Sullivan's practical knowledge in these areas will be of great benefit to the Company as it seeks to develop its assets for the benefit of its shareholders.

Mr Sullivan has not been a Director of any other public listed entities during the past three years.

Peter Ross Sullivan BE, MBA
(Non Executive Director) 52 years
Director since 1996

Mr Sullivan is an engineer and has been involved in the management and strategic development of resource companies and projects for more than 20 years.

Mr Sullivan has been a director of the Company since his appointment in 1996.

Other current directorships of listed companies
Mr Sullivan has been a director of Resolute Mining Limited since June 2001.

Former directorships of listed companies in last 3 years
Mr Sullivan was a Director of Valhalla Uranium Limited for the period September 2005 to September 2006.

Geoffrey Mayfield Motteram BMetE (Hons), MAusIMM
(Non Executive Director) 59 years
Director since 1997

Mr Motteram is a metallurgical engineer with over 30 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 Anaconda 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 a non executive director of the Company since 1997, and provides technical support to the Company.

Other current directorships of listed companies
Mr Motteram has been a director of Mount Magnet South Limited since 31 May 2006.

Mr Bradley John Wynne B.Com(Dist) CA
(Company Secretary) 33 Years

Mr Wynne was appointed to the position of Company Secretary in June 2007. Mr Wynne is highly experienced in the engineering, oil and gas and mining industries. He has held senior financial management positions in the mining sector with companies including St Barbara Mines Ltd and Xstrata Zinc. Mr Wynne is also Chief Financial Officer of the Company.

Remuneration report

The remuneration report is set out in the following manner:

- Policies used to determine the nature and amount of remuneration.
- Details of remuneration
- Service agreements
- Share based compensation

Remuneration policy

The Board of Directors is responsible for remuneration policies and the packages applicable to the Directors of the Company. The broad remuneration policy is to ensure that packages offered properly reflect a person's duties and responsibilities and that remuneration is competitive and attracts, retains, and motivates people of the highest quality.

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. Engagement and payment for such services are approved by the other directors who have no interest in the engagement of services.

At the date of this report the Company had not entered into any packages with Directors or senior executives which include performance based components.

Details of remuneration for Directors

Remuneration levels are competitively set to attract and retain appropriately qualified and experienced Directors and senior executives. The Board of Directors obtains independent advice when appropriate when reviewing remuneration packages.

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

2008	Short Term Benefits Salary & Fees $	Post Employment Benefits Superannuation $	Long Term Benefits Options $	Total $
Executive Directors				
David J Varcoe	93,253	9,325	-	102,578
James N Sullivan	120,727	-	-	120,727
Non-Executive Directors				
Michael D Perrott	30,000	-	-	30,000
Geoffrey M Motteram	36,000	-	-	36,000
Peter R Sullivan	24,000	-	-	24,000
Executives				
Bradley J Wynne	150,000	13,500	-	163,500
John R Harris	66,667	6,000	-	72,667
	520,647	**28,825**	**-**	**549,472**

2007	Short Term Benefits Salary & Fees $	Post Employment Benefits Superannuation $	Long Term Benefits Options $	Total $
Executive Directors				
James N Sullivan	134,167	-	-	134,167
Non-Executive Directors				
Michael D Perrott	30,000	-	-	30,000
Geoffrey M Motteram	36,000	-	-	36,000
Peter R Sullivan	24,000	-	-	24,000
Executives				
Bradley J Wynne (appointed May 2007)	16,670	1,500	25,333	43,503
	240,837	**1,500**	**25,333**	**267,670**

The Company and its subsidiaries had six employees as at 30 June 2008.

Service agreements

There are no service agreements with any of the Company's Directors.

Share based compensation

There is currently no provision in policies of the consolidated entity for the provision of share based compensation to directors. The interest of Directors in shares and options is set out elsewhere in this report.

Directors and Executives 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 Balance 1/7/07	Net Change (i)	Ordinary Shares Balance 30/6/08
Michael D Perrott	11,197,439	1,119,743	12,317,182
David J Varcoe	-	75,000	75,000
James N Sullivan	10,845,162	1,284,514	12,129,676
Peter R Sullivan	13,297,288	(1,615,274)	11,682,014
Geoffrey M Motteram	4,420,324	442,032	4,862,356

(i) Net change - movement for the year was in respect of 10:1 entitlement taken up in August 2007. Entities associated with David Varcoe, James Sullivan and Peter Sullivan had on market transactions during the year.

Meetings of Directors

During the year, 6 meetings of directors were held. Attendances were:

Name	Number Eligible to Attend	Number Attended
Michael D Perrott	6	6
David J Varcoe	3	3
James N Sullivan	6	5
Peter R Sullivan	6	6
Geoffrey M Motteram	6	6

Loans to Directors and Executives

There were no loans entered into with Directors or executives during the financial year under review.

Related party transactions with directors and executives are set out in Note 17 to the Financial Report.

Unlisted Options

At the date of this report the number of unlisted Options on issue were as follows:

- 2,000,000 Options exercisable at $0.70 each;
- 250,000 Options exercisable at $0.75 each; and
- 100,000 Options exercisable at $0.80 each.

The $0.70 options expire on 30 September 2010, while the other unlisted options will expire on 30 June 2009.

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.

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.

Environmental Regulation

The consolidated entity's exploration and mining tenements are located in Western Australia. There are significant regulations under the Western Australian Mining Act 1978 and the 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.

Proceedings on Behalf of Company

No person has applied for leave of Court, pursuant to section 237 of the Corporations Act 2001, 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.

Non-audit services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditors' expertise and experience with the Company or consolidated entity are important.

During the year HLB Mann Judd, has performed certain other services in addition to their statutory audit duties, details of all amounts paid or payable to the auditor are set out in Note 14.

The Board has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of those non-audit services during the year by the auditor is compatible with and did not compromise, the auditor independence requirements of the Corporations Act 2001.

Auditors' independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

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

David J Varcoe
Managing Director
Perth, Western Australia
30 September 2008

HLB Mann Judd

Accountants | Business and Financial Advisers

Auditor's Independence Declaration

As lead auditor for the audit of the financial report of GME Resources Ltd for the year ended 30 June 2008, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of GME Resources Ltd.

Perth, Western Australia
30 September 2008

W M CLARK
Partner, HLB Mann Judd

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CONSOLIDATED INCOME STATMENT
FOR THE YEAR ENDED 30 JUNE 2008

	Note	Consolidated		Parent Entity	
		2008 $	2007 $	2008 $	2007 $
Revenue	2	797,462	180,137	515,644	80,137
Interest expense		23,545	-	23,545	-
Depreciation expense		34,598	8,539	34,598	8,539
Management and consulting fees		642,892	259,222	642,892	259,222
Administration expenses		556,564	316,282	556,553	316,284
Loss before income tax expense		460,137	403,906	741,944	503,908
Income tax expense	3	-	-	-	-
Loss from ordinary activities after related income tax		460,137	403,906	741,944	503,908
Net loss attributable to members of the parent entity		460,137	403,906	741,944	503,908
Earnings Per Share					
Basic earnings per share (cents per share)	16	(0.19)	(0.19)		
Diluted earnings per share (cents per share)	16	(0.19)	(0.19)		

The accompanying notes form part of these financial statements.

CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2008

	Note	Consolidated		Parent Entity	
		2008	2007	2008	2007
		$	$	$	$
CURRENT ASSETS					
Cash and cash equivalents	13(b)	5,150,024	714,667	4,928,834	693,467
Receivables	4	230,023	213,002	247,974	212,770
Other financial assets	5	8,250	8,250	8,250	8,250
TOTAL CURRENT ASSETS		5,388,297	935,919	5,185,058	914,487
NON CURRENT ASSETS					
Receivables	6	-	-	9,245,709	8,186,475
Other financial assets	7	-	-	2,615,950	2,615,950
Plant and equipment	8	727,948	19,473	727,948	19,473
Exploration costs carried forward	9	25,119,793	12,440,384	13,139,101	1,570,782
TOTAL NON CURRENT ASSETS		25,847,741	12,459,857	25,728,708	12,392,680
TOTAL ASSETS		31,236,038	13,395,776	30,913,766	13,307,167
CURRENT LIABILITIES					
Payables	10	713,540	1,099,990	2,059,402	2,397,708
TOTAL CURRENT LIABILITIES		713,540	1,099,990	2,059,402	2,397,708
TOTAL LIABILITIES		713,540	1,099,990	2,059,402	2,397,708
NET ASSETS		30,522,498	12,295,786	28,854,364	10,909,459
EQUITY					
Issued capital	11	44,518,381	26,480,932	44,518,381	26,480,932
Financial assets reserve	11	(1,125)	(1,125)	(1,125)	(1,125)
Option reserve	11	740,796	91,396	740,796	91,396
Accumulated losses		(14,735,554)	(14,275,417)	(16,403,688)	(15,661,744)
TOTAL EQUITY		30,522,498	12,295,786	28,854,364	10,909,459

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2008

CONSOLIDATED	Note	ORDINARY SHARES	FINANCIAL ASSETS RESERVE	OPTION RESERVE	ACCUMULATED LOSSES	TOTAL
Balance at 1 July 2006		23,221,622	(1,125)	-	(13,871,511)	9,348,986
Loss attributable to members of the parent entity in 2007		-	-	-	(403,906)	(403,906)
Issue of unlisted options		-	-	91,396	-	91,396
Shares issued (net of costs)	11	3,259,310	-	-	-	3,259,310
Balance at 30 June 2007		26,480,932	(1,125)	91,396	(14,275,417)	12,295,786
Loss attributable to members of the parent entity in 2008		-	-	-	(460,137)	(460,137)
Issue of unlisted options		-	-	649,400	-	649,400
Shares issued (net of costs)	11	18,037,449	-	-	-	18,037,449
Balance at 30 June 2008		44,518,381	(1,125)	740,796	(14,735,554)	30,522,498
PARENT						
Balance at 1 July 2006		23,221,622	(1,125)	-	(15,157,836)	8,062,661
Loss attributable to members of the parent entity in 2007		-	-	-	(503,908)	(503,908)
Issue of unlisted options			-	91,396	-	91,396
Shares issued (net of costs)	11	3,259,310	-	-	-	3,259,310
Balance at 30 June 2007		26,480,932	(1,125)	91,396	(15,661,744)	10,909,459
Loss attributable to members of the parent entity in 2008		-	-	-	(741,944)	(741,944)
Issue of unlisted options		-	-	649,400	-	649,400
Shares issued (net of costs)	11	18,037,449	-	-	-	18,037,449
Balance at 30 June 2008		44,518,381	(1,125)	740,796	(16,403,688)	28,854,364

The accompanying notes form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008

	Note	Consolidated		Parent Entity	
		2008	2007	2008	2007
		$	$	$	$
Cash flows from operating activities					
Cash receipts from customers		281,818	100,000	-	-
Cash paid to suppliers and employees		(5,947,894)	(3,086,693)	(4,836,803)	(301,596)
Interest received		484,657	80,137	484,657	80,137
Net cash from operating activities	13(a)	(5,181,419)	(2,906,556)	(4,352,146)	(221,459)
Cash flows from investing activities					
Acquisition of Plant and equipment		(743,073)	(3,634)	(743,073)	(3,634)
Amounts paid on behalf of controlled entities		-	-	(1,029,263)	(2,706,297)
Net cash from investing activities		(743,073)	(3,634)	(1,772,336)	(2,709,931)
Cash flows from financing activities					
Proceeds from issue of shares		10,403,967	3,283,817	10,403,967	3,283,817
Payment of costs associated with issue of shares		(44,118)	(24,507)	(44,118)	(24,507)
Net cash from financing activities		10,359,849	3,259,310	10,359,849	3,259,310
Net increase in cash and cash equivalents		4,435,357	349,120	4,235,367	327,920
Cash and cash equivalents at 1 July		714,667	365,547	693,467	365,547
Cash and cash equivalents at 30 June	13(b)	5,150,024	714,667	4,928,834	693,467

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

1. STATEMENT OF ACCOUNTING POLICIES

GME Resources Limited ('the Company') is a listed public company, incorporated and domiciled in Australia. The consolidated financial report of the Company for the financial year ended 30 June 2008 comprise the Company and its subsidiaries (together referred to as 'the Group').

(a) Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and Interpretations and complies with other requirements of the law. The financial report has also been prepared on a historical cost basis, unless otherwise stated, except for available for sale investments which have been measured at fair value.

The financial report is presented in Australian dollars.

The Company is a listed public company, incorporated in Australia and operating in Australia. The entity's principal activities are mineral exploration and investment.

(b) Adoption of new and revised standards

In the year ended 30 June 2008, the Group has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2007. Details of the impact of the adoption of these new accounting standards are set out in the individual accounting policy notes set out below. The Group has also adopted the following Standards as listed below which only impacted on the Group's financial statements with respect to disclosure:

- AASB 101 'Presentation of Financial Instruments' (revised October 2006).
- AASB 7 'Financial Instruments: Disclosures'.

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2008. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

(c) Statement of compliance

The financial report was authorised for issue on 26th September 2008.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(d) Principles of Consolidation

The consolidated financial statements comprise the financial statements of GME Resources Limited and its subsidiaries as at 30 June each year (the Group).

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefit from its activities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

(d) Principles of Consolidation (cont.)

The acquisition of subsidiaries has been accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition. Accordingly, the consolidated financial statements include the results of subsidiaries for the period from their acquisition.

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the income statement and within equity in the consolidated balance sheet

(e) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(f) Borrowing Costs

Borrowing costs are recognised as an expense when incurred except those that relate to the acquisition, construction or production of qualifying assets where the borrowing cost is added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

(g) Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(h) Receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

(i) Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

(i) Income Tax (cont.)

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Tax consolidation legislation

GME Resources Limited and its 100% owned Australian resident subsidiaries have implemented the tax consolidation legislation. Current and deferred tax amounts are accounted for in each individual entity as if each entity continued to act as a taxpayer on its own.

GME Resources Limited recognises both its own current and deferred tax amounts and those current tax liabilities, current tax assets and deferred tax assets arising from unused tax credits and unused tax losses which it has assumed from its controlled entities within the tax consolidated group.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

(i) Income Tax (cont.)
Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts payable or receivable from or payable to other entities in the Group. Any difference between the amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) controlled entities in the tax consolidated group.

(j) Other taxes
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 balance sheet are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

(k) Plant and Equipment
Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Plant and equipment – over 4 to 5 years.

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

(i) Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount

For plant and equipment, impairment losses are recognised in the income statement in the cost of sales line item.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

(k) Plant and Equipment (cont.)

(ii) Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(l) Investments and other financial assets

Financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transactions costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

(i) Financial assets at fair value through profit or loss

Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in profit or loss.

(ii) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

(l) Investments and other financial assets (cont.)

(iv) Available-for-sale investments

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models.

(m) Exploration and Evaluation Expenditure

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Group has obtained the legal rights to explore an area are recognised in the income statement.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

(i) the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or

(ii) activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or other wise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing

Exploration and evaluation assets are assessed for impairment if:

- sufficient data exists to determine technical feasibility and commercial viability, and
- facts and circumstances suggest that the carrying amount exceeds the recoverable amount (see impairment accounting policy 1(m)).

For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from intangible assets to mining property and development assets within property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

(n) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(o) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(p) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

(q) Earnings per share

Basic EPS is calculated as net result 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 result 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

	Consolidated		Parent Entity	
	2008 $	2007 $	2008 $	2007 $
2. REVENUE AND EXPENSES				
(a) Revenue				
Operating Activities				
Interest received	515,644	80,137	515,644	80,137
Proceeds from:				
Facilitation fee for prospecting rights	281,818	100,000	-	-
Total revenue	797,462	180,137	515,644	80,137
(b) Expenses:				
Depreciation – plant and equipment	34,598	8,539	34,598	8,539

3. INCOME TAX

(a) Income tax recognised in profit and loss

The prima facie tax benefit on operating result is reconciled to the income tax provided in the financial statements as follows:

	Consolidated 2008 $	Consolidated 2007 $	Parent Entity 2008 $	Parent Entity 2007 $
Accounting loss before tax from continuing operations	(460,137)	(403,906)	(741,944)	(503,908)
Income tax benefit calculated at 30%	(138,041)	(121,172)	(222,583)	(151,172)
Non-deductible expenses				
Adjustments to head entity in respect of tax consolidation	-	-	(248,785)	-
Unused tax losses and tax offset not recognised as deferred tax assets	2,869,707	990,754	2,869,707	990,754
R&D tax concession	285,000	-	285,000	-
Unrecognised deferred tax assets / (liabilities)	(3,016,805)	(869,582)	(2,683,480)	(839,582)
Other	141	-	141	-
Income tax expense reported in the income statement	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	Consolidated 2008 $	Consolidated 2007 $	Parent Entity 2008 $	Parent Entity 2007 $
3. INCOME TAX				
(b) Unrecognised deferred tax balances				
Unrecognised deferred tax assets comprise:				
Losses available for offset against future taxable income	6,657,676	3,787,969	6,657,676	3,787,969
Capital allowance differences	-	222	-	222
Project pool differences	1,008,113	-	1,008,113	-
Capital raising costs	20,179	27,600	20,179	27,600
Provision for non-recovery of investments	1,168,635	1,169,023	1,168,635	1,169,023
Accrued expenses and liabilities	7,837	3,450	7,237	2,850
	8,862,440	4,988,264	8,861,840	4,987,664
Unrecognised deferred tax liabilities comprise:				
Exploration expenditure	7,535,938	3,732,115	3,941,730	471,235
Deductible prepayment	15,868	-	15,868	-
Accrued income	9,269	-	9,269	-
Capital allowance differences	179,081	-	179,081	-
	7,740,156	3,732,115	4,145,948	471,235
Income tax expense not recognised directly in equity:				
Capital raising costs	98,191	84,955	98,191	84,955

Potential deferred tax assets attributable to tax losses and capital losses carried forward have not been brought to account because directors do not believe it is appropriate to regard realisation of the future tax benefit as probable.

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.

4. RECEIVABLES (CURRENT)

Sundry debtors	230,023	213,002	247,974	212,770

5. OTHER FINANCIAL ASSETS (CURRENT)

Available-for-sale				
Listed investments	8,250	8,250	8,250	8,250

6. RECEIVABLES (NON CURRENT)

Loans to controlled entities (wholly owned)	-	-	10,568,404	9,509,170
Provision for impairment loss	-	-	(1,322,695)	(1,322,695)
	-	-	9,245,709	8,186,475

An existing provision for non recoverability has been reclassified as an impairment loss recognised against loans to controlled entities. The provision is considered prudent as these entities have continued to incur losses during the year. The provision allows for the possibility of these loans not being recoverable.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

	Consolidated		Parent Entity	
	2008	2007	2008	2007
	$	$	$	$

7. OTHER FINANCIAL ASSETS (NON CURRENT)

Unlisted Investments:				
Controlled entities (refer note 12)	-	-	5,178,206	5,178,206
Provision for diminution in value	-	-	(2,562,256)	(2,562,256)
	-	-	2,615,950	2,615,950

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.

8. PLANT AND EQUIPMENT (NON CURRENT)

Plant and equipment - at cost	781,348	38,275	781,348	38,275
Less accumulated depreciation	(53,400)	(18,802)	(53,400)	(18,802)
Total plant and equipment	727,948	19,473	727,948	19,473
Reconciliation of the carrying amount of plant and equipment:				
Carrying amount at the beginning of the year	19,473	24,377	19,473	24,377
Additions	743,073	3,635	743,073	3,635
Disposals	-	-	-	-
Depreciation	(34,598)	(8,539)	(34,598)	(8,539)
Carrying amount at the end of the year	727,948	19,473	727,948	19,473

9. EXPLORATION AND EVALUATION EXPENDITURE CARRIED FORWARD (NON CURRENT)

Deferred exploration and evaluation expenditure - at cost				
Movements:				
Balance at beginning of the year	12,440,384	9,097,138	1,570,782	1,037,228
Direct expenditure	12,679,409	3,343,246	11,568,319	533,554
	25,119,793	12,440,384	13,139,101	1,570,782
Less expenditure written off	-	-	-	-
	25,119,793	12,440,384	13,139,101	1,570,782

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

	Consolidated		Parent Entity	
	2008 $	2007 $	2008 $	2007 $
10. PAYABLES (CURRENT)				
Trade payables and accruals	653,540	1,039,990	651,540	1,037,990
Unearned income	60,000	60,000	-	-
Amount payable to wholly owned entity	-	-	1,407,862	1,359,718
	713,540	1,099,990	2,059,402	2,397,708

Trade payables and accruals are non interest bearing and normally settled on 30 day terms.

Details of exposure to interest rate risk and fair value in respect of liabilities are set out in note 18. There are no secured liabilities as at 30 June 2008.

11. CONTRIBUTED EQUITY AND RESERVES

Issued and paid up capital

253,173,931 (2006: 220,365,998) ordinary shares, fully paid	44,518,381	26,480,932	44,518,381	26,480,932
Ordinary shares				
Balance at the beginning of the year	26,480,932	23,221,622	26,480,932	23,221,622
Entitlement issue (a)	10,403,967	1,883,817	10,403,967	1,883,817
Costs associated with entitlement issue	(44,118)	(24,507)	(44,118)	(24,507)
Issue of shares pursuant to acquisition of tenements (b)	7,677,600	-	7,677,600	-
Issue of shares pursuant to exercise of options	-	1,400,000	-	1,400,000
Balance at the end of the year	44,518,381	26,480,932	44,518,381	26,480,932

	No of Shares	No of Shares	No of Shares	No of Shares
Balance at the beginning of the year	220,365,998	202,807,215	220,365,998	202,807,215
Entitlement issue (a)	20,807,933	12,558,783	20,807,933	12,558,783
Issue of shares pursuant to acquisition of tenements (b)	12,000,000	-	12,000,000	-
Issue of shares pursuant to exercise of options	-	5,000,000	-	5,000,000
Balance at the end of the year	253,173,931	220,365,998	253,173,931	220,365,998

(a) On 10 August 2007 the Company received acceptances for 20,807,933 ordinary shares at an issue price of 50 cents per share pursuant to a renounceable entitlement issue of 1:10 shares.

(b) During the year, the company issued 12,000,000 shares as part consideration for the Wanbanna tenement package at an issue price of 63.98 cents per share.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

11. CONTRIBUTED EQUITY AND RESERVES

Options over Unissued Capital

	$0.70	$0.75	$0.80
Balance at the beginning of the year	-	250,000	100,000
1 November 2007 Issue of options	2,000,000		
Balance at the end of the year	2,000,000	250,000	100,000

Unlisted 75 and 80 cent Options outstanding at year end will expire on 30 June 2009, while the unlisted 70 cent Options outstanding at year end will expire on 30 September 2010.

Reserves

Nature and purpose
The financial assets reserve is used to record movements in the fair value of available for sale assets.
The option reserve is used to record the face value of options issued.

12. CONTROLLED ENTITIES

Name of Controlled Entity/ (Country Of Incorporation)	Percentage Owned		Company's Cost of Investment	
	2008 %	2007 %	2008 $	2007 $
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	100	4,561,313	4,561,313
			5,178,206	5,178,206

13. STATEMENT OF CASH FLOWS

(a) Reconciliation of cash flows from operating activities

	Consolidated 2008 $	Consolidated 2007 $	Parent Entity 2008 $	Parent Entity 2007 $
Loss from ordinary activities after tax	(460,137)	(403,906)	(741,944)	(503,908)
Depreciation / amortisation	34,598	8,539	34,598	8,539
Exploration costs capitalised (excluding creditors)	(4,352,409)	(3,343,246)	(3,241,319)	(533,554)
Decrease/(increase) in receivables	(17,021)	(117,967)	(35,204)	(171,322)
Decrease/(increase) in other current assets	-	-	-	-
Increase/(decrease) in sundry creditors	(386,450)	924,691	(368,277)	953,453
Other non cash transactions (including issue of options)	-	25,333	-	25,333
Net cash flows from operating activities	(5,181,419)	(2,906,556)	(4,352,146)	(221,459)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

	Consolidated		Parent Entity	
	2008 $	2007 $	2008 $	2007 $
13. STATEMENT OF CASH FLOWS				
(b) Reconciliation of cash and cash equivalents				
Cash balance comprises:				
Cash at bank	5,104,824	690,667	4,904,834	690,667
Deposits at call	45,200	24,000	24,000	2,800
	5,150,024	714,667	4,928,834	693,467

14. AUDITOR'S REMUNERATION

	Consolidated 2008 $	Consolidated 2007 $	Parent Entity 2008 $	Parent Entity 2007 $
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 Group	18,500	16,150	18,500	16,150
- other services in relation to the company and any other entity in the Group	10,093	6,721	10,093	6,721
	28,593	22,871	28,593	22,871

15. SEGMENT REPORTING

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

	Consolidated	
	2008 $	2007 $
16. EARNINGS PER SHARE		
Basic and diluted loss per share (cents)	(0.19)	(0.19)
Loss used in calculation of basic and diluted earnings per share	460,137	403,906
Weighted average number of ordinary shares outstanding during the year used in calculation of basic and diluted earnings per share	246,816,898	214,454,271

No adjustment was made for the 2,350,000 options on issue at 30 June 2008 (2007: 350,000) as they are not considered to be dilutive.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

17. DIRECTORS' AND EXECUTIVES DISCLOSURES

a) Details of Key Management Personnel

(i) Directors

Michael Delaney Perrott – Non executive Chairman
David John Varcoe – Managing Director (appointed 18 February 2008)
James Noel Sullivan – Executive Director
Peter Ross Sullivan – Non executive Director
Geoffrey Mayfield Motteram – Non executive Director

(ii) Executives

Bradley John Wynne - Chief Financial Officer
John Richard Harris - Chief Geologist

(b) Compensation of Key Management Personnel

(i) Compensation Policy

The Board of Directors is responsible for remuneration policies and the packages applicable to the Directors of the Company. The Board remuneration policy is to ensure that packages offered properly reflect a person's duties and responsibilities and that remuneration is competitive and attracts, retains, and motivates people of the highest quality.

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. Engagement and payment for such services are approved by the other directors who have no interest in the engagement of services.

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

At the date of this report the Company had not entered into any packages with Directors or senior executives which include performance based components. The Company does not operate an employee share option plan.

As part of his package, Mr David Varcoe is entitled to 2,000,000 options exercisable at $0.65, 500,000 options exercisable at $0.80, and 500,000 options exercisable at $1.00. These options have an expiry date of 18 February 2012 and are subject to shareholder approval.

(ii) Compensation of Key Management Personnel for the year ended 30 June 2008

2008	Short Term Benefits Salary & Fees $	Post Employment Benefits Superannuation $	Long Term Benefits Options $	Total $
Executive Directors				
David J Varcoe	93,253	9,325	-	102,578
James N Sullivan	120,727	-	-	120,727
Non-Executive Directors				
Michael D Perrott	30,000	-	-	30,000
Geoffrey M Motteram	36,000	-	-	36,000
Peter R Sullivan	24,000	-	-	24,000
Executives				
Bradley J Wynne	150,000	13,500	-	163,500
John R Harris	66,667	6,000	-	72,667
	520,647	**28,825**	**-**	**549,472**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

17. DIRECTORS' AND EXECUTIVES DISCLOSURES (CONTINUED)

(iii) Compensation of Key Management Personnel for the year ended 30 June 2007

2007	Short Term Benefits Salary & Fees $	Post Employment Benefits Superannuation $	Long Term Benefits Options $	Total $
Executive Directors				
James N Sullivan	134,167	-	-	134,167
Non-Executive Directors				
Michael D Perrott	30,000	-	-	30,000
Geoffrey M Motteram	36,000	-	-	36,000
Peter R Sullivan	24,000	-	-	24,000
Executives				
Bradley J Wynne (appointed May 2007)	16,670	1,500	25,333	43,503
	240,837	**1,500**	**25,333**	**267,670**

(c) Shareholdings of Key Management Personnel (Consolidated)

	Ordinary Shares 1/7/2007	Net Change	Ordinary Shares 30/6/2008
Michael Delaney Perrott	11,197,439	1,119,743	12,317,182
David John Varcoe	-	75,000	75,000
James Noel Sullivan	10,845,162	1,284,514	12,129,676
Peter Ross Sullivan	13,297,288	(1,615,274)	11,682,014
Geoffrey Mayfield Motteram	4,420,324	442,032	4,862,356

(d) Other transactions and balances with Key Management Personnel

There were no other transactions with key management personnel during this financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

18. FINANCIAL INSTRUMENT DISCLOSURES

(a) Categories of financial instruments

2008	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	7.28%	5,104,824	45,200	-	-	5,150,024
Other financial assets		-	-	-	8,250	8,250
Receivables		-	-	-	230,023	230,023
		5,104,824	45,200	-	238,273	5,388,297
Financial Liabilities						
Payables		-	-	-	391,242	391,242
		-	-	-	391,242	391,242

2007	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	6.14%	690,667	24,000	-	-	714,667
Other financial assets		-	-	-	8,250	8,250
Receivables		-	-	-	213,002	213,002
		690,667	24,000	-	221,252	935,919
Financial Liabilities						
Payables		-	-	-	1,099,990	1,099,990
		-	-	-	1,099,990	1,099,990

(b) Interest rate risk sensitivity analysis

The Company and the Group are exposed 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, in respect of the cash balances and deposits.

The sensitivity analyses below have been determined based on the exposure to interest rates for instruments at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the change in interest rates.

At reporting date, if interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's net profit before tax and equity would increase by $25,750 and decrease by $25,750 respectively (2007:$6,505).

The Group's sensitivity to interest rates has increased during the current period due to an increase in funds in term deposits.

(c) Liquidity risk

The Company manages liquidity risk by continually monitoring cash reserves and cash flow forecasts to ensure that financial commitments can be met as and when they fall due.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

18. FINANCIAL INSTRUMENT DISCLOSURES (CONTINUED)

(d) Capital management risk

The Company controls the capital of the Group in order to maximise the return to shareholders and ensure that the Group can fund its operations and continue as a going concern.

The Company effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and the market. These responses include the management of expenditure and debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the group since the prior year.

(e) 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.

19. COMMITMENTS AND CONTINGENT LIABILITIES

There were no capital commitments or contingent liabilities, not provided for in the financial statements of the Group as at 30 June 2008, other than:

(a) Mineral Tenement Leases

In order to maintain current rights of tenure to mining tenements, the Group in its own right or in conjunction with its joint venture partners may be required to outlay amounts of approximately $1,715,449 (2007: $1,156,480) 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 Group 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 Group'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 Group's operations.

Native title claims have been made over ground in which the Group 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 Group.

	Consolidated		Parent Entity	
	2008 $	2007 $	2008 $	2007 $
(c) Non Cancellable Operating Lease Commitments				
Within one year	50,828	46,748	50,828	46,748
One year or later and no later than five years	60,008	93,496	60,008	93,496
	110,836	140,244	110,836	140,244

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

20. 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 19 – Commitments and Contingent Liabilities.

21. RELATED PARTIES

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

	2008 $	2007 $
Non-Current Receivables		
Loans net of provisions for non recovery	9,245,709	8,186,475
Current Payables		
Loans	1,407,862	1,359,718

22. EVENTS SUBSEQUENT TO BALANCE DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the Group's operations, the results of those operations or the Group's state of affairs in future financial years.

DIRECTORS' DECLARATION

1. In the opinion of the directors:

   a). the financial statements and notes of the company and of the Group are in accordance with the Corporations Act 2001 including:

      i. giving a true and fair view of the company's and Group's financial position as at 30 June 2008 and of their performance for the year then ended; and

      ii. complying with Accounting Standards and Corporations Regulations 2001;

   b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

2. This declaration has been made after receiving the declarations required to be made to the directors by the Managing Director and the Chief Financial Officer, in accordance with Section 295A of the Corporations Act 2001, for the financial year ended 30 June 2008.

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

David J Varcoe
Managing Director
Perth, Western Australia
30th September 2008

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REPORT

To the members of
GME RESOURCES LTD

Report on the Financial Report

We have audited the accompanying financial report of GME Resources Ltd ("the company"), which comprises the balance sheet as at 30 June 2008, the income statement, statement of changes in equity, cash flow statement and notes to the financial statements for the year ended on that date, and the directors' declaration for both the company and the consolidated entity as set out on pages 41 to 64. The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In Note 1(c), the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 2 15 Rheola Street West Perth 6005 PO Box 263 West Perth 6872 Western Australia. Telephone +61 (08) 9481 0977. Fax +61 (08) 9481 3686.
Email: hlb@hlbwa.com.au. Website: http://www.hlb.com.au

Independence

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

Auditor's Opinion

In our opinion:

(a) the financial report of GME Resources Ltd is in accordance with 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 2008 and of their performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(c).

Report on the Remuneration Report

We have audited the Remuneration Report included on pages 36 to 37 of the directors' report for the year ended 30 June 2008. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of GME Resources Ltd for the year ended 30 June 2008 complies with section 300A of the Corporations Act 2001.

HLB Mann Judd.

HLB MANN JUDD
Chartered Accountants

Perth, Western Australia
30 September 2008

W M CLARK
Partner

SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 30 September 2008.

A. Distribution of Securities

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

Category (size of holding)	Holders
1 - 1,000	98
1,001 - 5,000	383
5,001 - 10,000	232
10,001 - 100,000	664
100,000 and over	196
	1573

(b) There were 304 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 61.32%

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 30 September 2008, are:

Name	%
Retirewise Capital Pty Ltd and associated entities	26.94
Mandalup Investments Pty Ltd	6.88
Guiness Peat Group plc, Mid-East Minerals Limited and Retford Resources NL	5.33
Duncraig Investment Services Pty Ltd	5.11

SHAREHOLDER INFORMATION

The names of the 20 largest security holders of each class of equity security as at 30 September 2008 are listed below:

ORDINARY SHARES

Name	Number	Issued Shares Held %
Retirewise Capital Pty Ltd	23,021,134	9.09
ANZ Nominees Limited	19,567,289	7.73
Retirewise Capital Australia Pty Ltd	19,565,988	7.73
Mandalup Investments Pty Ltd (Mandalup Discretionary Account)	15,924,007	6.29
Retford Resources NL	13,499,280	5.33
Duncraig Investment Services Pty Ltd	12,317,182	4.87
UBS Nominees Pty Ltd	7,770,000	3.07
Peter Ross Sullivan	5,626,133	2.22
Hardrock Capital Pty Ltd	4,771,312	1.88
James Noel Sullivan	4,088,174	1.61
Mandalup Investments Pty Ltd (Mandalup Super Fund)	4,056,212	1.60
Topsfield Pty Ltd	4,000,000	1.58
Geomett Pty Ltd	3,620,324	1.43
Sullivans Garage Pty Ltd	2,867,044	1.13
Tunza Holdings Pty Ltd	2,850,822	1.13
Selvie Tjowasi	2,590,858	1.02
Mervyn Ross and Mary Sullivan	2,510,898	0.99
Donald Anthony Sullivan	2,507,500	0.99
Ingot Capital Management Pty Ltd	2,127,326	0.84
Mark Selga and Elizabeth Selga	2,000,000	0.79
	155,281,483	**61.32**

TENEMENT DIRECTORY

Project	Tenements	Company Interest	Comments
Abednego West	ML39/427 ML 39/825 MLA39/823-824	Golden Cliffs 100%	Placer Royalty
Clermont	EPMA11575, EPMA11806, EPMA12164	GME 40%	Joint Venture with Australian Gold Fields NL (in Liquidation)
Duck Hill	MLA31/214 converted E31/733	Niwest 50%	Murchison Metals 50%
Edjudina	EL39/1337	Golden Cliffs 100%	
Eucalyptus	P39/3459 - 3460 converted to MLA39/744 EL39/703 ML39/666 ML39/430 and ML39/344 ML39/665 - 666 and ML 39/674 M39/313 ML 39/568, 39/570, 39/616 and 39/802 -804 M39/289	NiWest 100% NiWest 100%	Anglo 100% Gold Rights plus nickel royalty
Hawks Nest	M38/218, MLA 38/683	GME 100%	
Ilgarari	E52/1482	100% rights to non copper minerals	Copper Royalty
Lake Carey	ELA39/1374	Golden Cliffs 100%	
Laverton Downs	E38/506 converted to MLA38/587 - 588 and 38/782 – 784 ELA38/2066	NiWest 100% nickel rights Golden Cliffs 100%	Millennium Minerals 100% Gold Rights
Leonora East	P37/4106 converted to MLA37/566 P37/5330 - 5333, MLA37/1059 P37/5650 – 5656 P37/6931-6932, P37/7279-7282 MLA37/876 ELA37/871	GME 100% Golden Cliffs 100% Golden Cliffs 100% Golden Cliffs 100%	
Linden	P39/3417 - 3418 converted to MLA39/797 - 798 P39/2974 - 2976 converted to MLA 39/500 EL 39/1181 ELA39/1251, EL39/1337, ELA 39/1375 P39/4909-4911	GME100% GME 10% Golden Cliffs 100% Golden Cliffs 100% Golden Cliffs 100%	 90% Haoma Mining NL
Macey Hill	ML39/845	NiWest 100%	
Mertondale	P37/4201 - 37/4205 converted to MLA37/591	NiWest 100%	
Mt Kilkenny	E39/688, EL 37/878, ML39/878 – 879, EL 39/1107- 1108, P39/4571, P39/4827 E39/990 J/V JINDALEE RESOURCES	NiWest 100%	 Farmin to Earn 80%
Mt Morgan South	MLA39/702 - 703, MLA 39/481, MLA39/777	GME 100%	
Murrin Murrin	MLA39/554 and MLA39/457	Golden Cliffs 100%	
Murrin Murrin (Minara Resources)	ML39/426, 456, 552, 553 and 569	Golden Cliffs 100% rights to non nickel laterite	Nickel laterite royalty 20 cents per tonne
Murrin Murrin HEPI	ML 39/717 - 718 ML39/819	Niwest 100%	

Project	Tenements	Company Interest	Comments
Murrin Murrin North	ML39/758 MLA39/757	Niwest 100%	
Waite Kauri	M37/1216	Niwest 100%	
Wanbanna	M39/460	NiWest 80%	20% Wanbanna Pty Ltd
Yundamindra	EL39/1331	NiWest 100%	
Misc Licences	MLA39/173, MLA39/174, MLA39/175, MLA39/179, MLA31/46, MLA40/25, MLA 37/182, ML39/177	NiWest 100%	Haul Roads, Ground Water Resources

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*

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