GME

RESOURCES LIMITED

2016 Annual Report

Corporate Directory

GME Resources Ltd
ABN 62 009 260 315

Directors

Michael Delaney PERROTT AM B.Com FAICD, ***Chairman***
James Noel SULLIVAN FAICD, ***Managing Director***
Peter Ross SULLIVAN BE, MBA, ***Director***

Company Secretary

Mark Pitts B.Bus FCA

Registered Office and Principal Place of Business

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Facsimile: (08) 9315 5475
Web Site: **www.gmeresources.com.au**

Auditors

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Chartered Accountants
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Perth WA 6000

Share Registry

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172 St George's Terrace
Perth WA 6000
GPO Box D182
Perth WA 6840
Telephone: (08) 9323 2000
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Securities Exchange Listing

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

State of Registration

Western Australia

Corporate Governance

The Company has adopted the 3rd Edition of the ASX Corporate Governance Recommendations.
A summary statement which has been approved by the Board together with current policies and charters is available on the Company website.
www.gmeresources.com.au/corporate-governance.php

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Chairman's Letter

Dear Shareholder

Once more we were pleased to successfully produce gold during the year which has improved our cash position strongly. Consequently as a junior mining company we are very well placed to continue ongoing development of our assets without recourse to shareholders.

We have been able to enter into a Joint Venture with Zeta Resources Ltd which will provide an excellent opportunity to examine further possibilities of mining gold at minimum cost using the skills developed in our current mining campaign.

Our NiWest nickel project is in good order with a number of new methods of extraction studied. With the cash base now developed we hope to further analyse ways of bringing additional value to our nickel assets.

Jamie Sullivan, our Managing Director, has once again, with good staff managed a successful mining campaign. This work especially has been well done but also the continuation of work with our nickel assets while pursuing new opportunities has added value to our company.

Again I would like to thank him, my fellow Board member, Peter Sullivan, and company secretary Mark Pitts for the manner in which we have been able to work together during this successful year.

We look forward to welcoming you to our Annual General Meeting and providing a current update as to the progress the company has made.

Yours faithfully

Michael Perrott AM FAICD
Chairman

Operations Report 2016

Over the past 12 months the Company focus has been the development of the Devon Gold Mine. The trial mine completed in June 2015 provided the Company with sufficient capital to achieve this objective. Full scale mining commenced at the Devon Gold Mine in February this year and was completed in mid-August.

Timing of the development has been opportunistic with increased availability of mining contractors and access to processing facilities. The profitability of the project has been enhanced with the strengthening gold price in June.

Whilst the NiWest Nickel Laterite Project remains the Company flagship, the Company made the decision to defer the metallurgical test program that commenced in 2014. This decision was taken as an austerity measure to preserve funds for the Devon Gold Project following two years of declining nickel prices.

The nickel price, which, bottomed out in February this year has rallied almost 20 % due to tightening supply and more recently the reported shut down of laterite ore exports from the Philippines to China. Indonesia halted all ore exports in 2014.

The Company is now looking to re-start the metallurgical test work and is reviewing the NiWest flow sheet to explore refinements that could lead to improved capital and operating costs. The review will also consider the types of Nickel and Cobalt products that can be produced.

I would like to acknowledge the work that has been achieved by our small but dedicated team. In particular, Mark Gunther the Company's senior geologist whose expertise in Archean gold projects in the WA Goldfields has had a material impact on the development of the Devon Gold Mine.

COMPANY FUNDING

The Devon development is expected to deliver a substantial operating surplus, leaving the Company in a strong financial position to pursue further initiatives on both its Gold and Nickel assets over the next year.

POST REPORTING PERIOD EVENTS

Post June 30, the Company executed a Term Sheet with Zeta Resources Ltd to earn a 50% interest in the Murrin Murrin Gold Project. The project hosts a JORC compliant resource of 54,875 ounces and is considered to be a relatively low risk opportunity with potential to be fast tracked and developed along similar lines to the Devon Project.

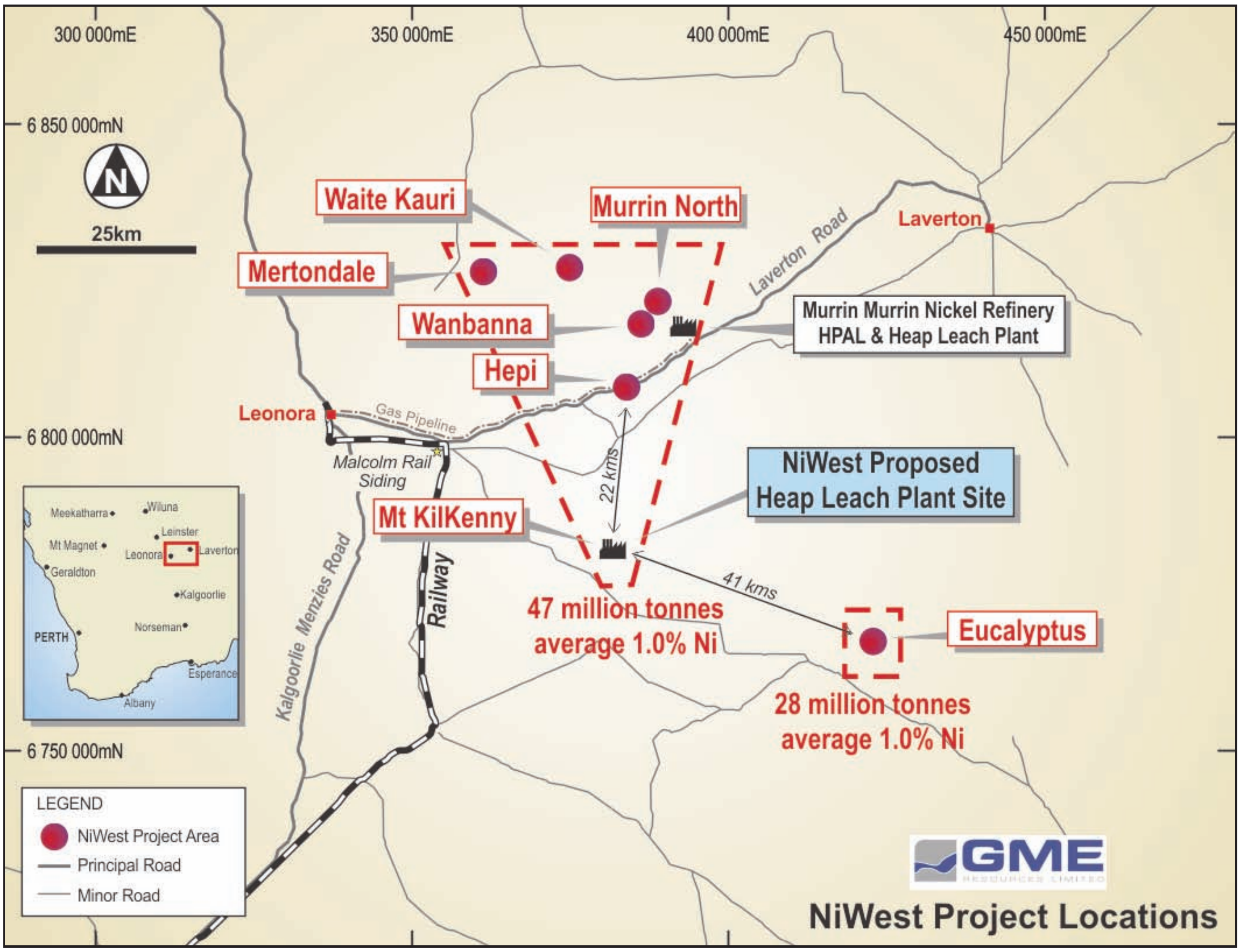
The Company has committed to a minimum expenditure of $250,000 on the project before electing to continue or withdraw from the arrangement. Further details on the Murrin Murrin Gold Project are provided in this report.

NiWest Nickel Laterite Project: (GME - 100%) - North Eastern Goldfields Western Australia

Project Overview

GME's NiWest Nickel Laterite Project is located adjacent to Glencore's Murrin Murrin Nickel Refinery in the NE Goldfields of WA. The Project is located in the centre of the West Australian Nickel belt and is well serviced with infrastructure such as standard gauge rail linked to ports, gas pipeline, arterial roads, optic fibre communications and long established mining towns.

The NiWest Project comprises of six separate tenement groups within a 50 kilometre radius (Refer Project Plan) and contains JORC 2004 compliant resources estimated at 75 million tonnes at 1% nickel and 0.06% cobalt (0.8% nickel cut-off grade). Measured and Indicated resources represent 78% of total resource. (Refer to NiWest Resource Statement). All resources are located on granted mining leases.



GME NiWest Project Plan

The Development options for the project have focused on metallurgical test programs for establishing a Heap Leaching (HL) operation as an alternative to the more complex High Pressure Acid Leach (HPAL) plant. HL is considered to be less expensive from a capital and operating cost perspective. A number of engineering studies centred on a HL operation have been completed and are in progress in order to evaluate optimum production rates and processing flowsheets and arrive at the most economically viable development option.

Test work completed on the HL stage of the flow sheet strongly indicate that the HL process is technically sound with nickel extraction rates in excess of 70% and in some cases as high as 84%.

Environmental studies and process water resource delineation have been completed at the Mt Kilkenny Project and Hepi projects. The Company has applied for and received approval from DMP to undertake a trial mine and heap leach operation at the Hepi project area.

A significant body of work has been completed on the project to date which includes: -

- 131,000 metres of RC and Aircore drilling
- JORC (2004) Compliant Resource Estimates
- Heritage clearance and Native Title agreements
- Metallurgical Test Programs
    - 220 bottle roll tests
    - 24 x 4 metres column tests
    - Ore characterisation
    - Ore agglomeration/ geotechnical optimisation
    - 2 tonne bulk column test
    - Solvent neutralisation
    - Iron removal
    - Batch and sighter SX test work
- Patented Proprietary Technology on Acid Regeneration and Pelletisation
- Scoping Study – Heap Leach - Direct Solvent Extraction – Electrowinning
- Environmental flora and fauna studies
- Process water drilling and License
- Trial Mine and Heap Leach permit approval – Hepi Project.
- Mining Schedules

The most recent engineering study (December 2013) was completed by Bateman Tenova and Mworx which scoped out a 1.5 mtpa Heap Leach operation coupled to a Direct Solvent Extraction processing facility and an Electrowinning refinery (HL-DSX EW). A preliminary mining schedule developed on the defined resources indicates a minimum 20 year operation can be sustained.

As a result of the promising outcomes delivered by the Bateman Tenova/MWorx Scoping Study, the Company committed to progress a dedicated metallurgical test program to test the key aspects of the proposed HL-DSX-EW flowsheet.

The first phase of the program focused on the HL stage of the flow sheet. Over 220 bottle roll tests were completed to identify difficult ore types and acid consumption rates. A bulk column leach test, consisting of two one metre high columns each containing 1.5 cubic metres of agglomerated ore was completed. Nickel extraction from the bulk column test has been calculated at 80% and is comparable to the composite bottle roll test and is above the average extraction rates achieved from previous four metre column tests.

Two 50 kg samples of ore were tested for detailed agglomeration, heap stacking, heap hydrodynamic and geotechnical optimisation. Results from this work has defined the moisture and acid addition range to achieve optimal agglomeration conditions as well as establishing early ideal Ni dissolution characteristics. This program has established that the heap heights of up to six metres can be utilised whilst maintaining acceptable permeability and heap stability characteristics.

The Company is now holding six tonnes of Pregnant Liquor Solutions (PLS) generated from the bulk column leach program. The PLS has be stored and will be used for the next stage of test work, which will be focussed on Iron removal and neutralisation steps.

The final flowsheet will also include the Company's proprietary technology for Agglomeration and Acid Regeneration that has the potential to reduce acid consumption by at least 30% in the heap leach stage.

In September 2015, the Company made the decision to defer the remainder of metallurgical program before work commenced the continuous piloting stage. The decision was based on a combination of the nickel price falling to the lowest level in over 25 years and to preserve cash for the development of the Devon Gold project.

Over the past six months, commodity markets have witnessed a remarkable shift in attention to metals required for the growing automotive and house-hold battery storage markets. Demand for metals such as Lithium, Graphite, Nickel and Cobalt is expected to accelerate with the global trend to move towards renewable and mobile energy sources.

The use of Nickel and Cobalt sulphates in the emerging battery market is of particular interest to your Company. The NiWest Project has potential to be a major source of these metals. In particular, the opportunity to develop a flow sheet that can deliver Nickel and Cobalt in the form of sulphates that can be used directly to produce precursor materials in batteries, offers significant upside.

In light of the above, the Company is considering a number of changes to the test work program to include the alternate nickel and cobalt products.

A preliminary review of the flow sheet to produce Nickel and Cobalt sulphates as opposed the cathode, indicates that there is scope to reduce both capital and operating costs.

The proposed program of work to be completed on the flowsheet is expected to take approximately 12 months and will place the Company in a favourable position to take advantage of any upturn in the Nickel market.

Resource Estimate

Ravensgate Mining Industry Consultants have completed a resource estimate for the NiWest Project. The resource estimate was last updated in April 2011 and is in accordance with JORC 2004 guidelines (refer Annual Mineral Resource Statement). The NiWest data base contains drilling information and assay results from 4,196 bore holes for 131,800 metres of drilling.

The project comprises of seven separate project areas in close proximity containing resources of various sizes. Resources are well defined with over 75% drill tested to measured and indicated categories. All of the NiWest resources are located on granted mining leases. (Refer to Figure page 3 NiWest Project plan). The Company is in the process of updating the NiWest Resource estimate to JORC 2012 compliance.

Table 1: NiWest Reported resource estimate – (JORC 2004)

0.7% COG	CATEGORY	Tonnes (Millions)	%Ni	%Co	Ni Metal (tonnes)	Co Metal (tonnes)
	Measured	45.86	0.96	0.06		
	Indicated	32.28	0.92	0.06		
	Inferred	30.32	0.89	0.06		
	Combined	108.46	0.93	0.06	1,008,678	65,076

0.8% COG	CATEGORY	Tonnes (Millions)	%Ni	%Co	Ni Metal (tonnes)	Co Metal (tonnes)
	Measured	34.22	1.04	0.07		
	Indicated	22.41	0.99	0.06		
	Inferred	19.09	0.96	0.06		
	Combined	75.73	1.01	0.06	764,772	45,432

1.0% COG	CATEGORY	Tonnes (Millions)	%Ni	%Co	Ni Metal (tonnes)	Co Metal (tonnes)
	Measured	19.21	1.19	0.08		
	Indicated	8.47	1.14	0.08		
	Inferred	5.07	1.14	0.07		
	Combined	32.75	1.17	0.08	383,175	26,200

1.2% COG	CATEGORY	Tonnes (Millions)	%Ni	%Co	Ni Metal (tonnes)	Co Metal (tonnes)
	Measured	7.43	1.37	0.09		
	Indicated	2.23	1.31	0.09		
	Inferred	1.29	1.28	0.09		
	Combined	10.95	1.34	0.09	146,730	9,855

Review of Material Changes

The last reported resource statement for NiWest Nickel Laterite Project was on 6 April November 2011 (ASX announcement). There has been no material change to the mineral resource estimate over the past 12 months. Nominal changes to the second decimal point have occurred in combined resource totals due to rounding protocols.

Gold Assets

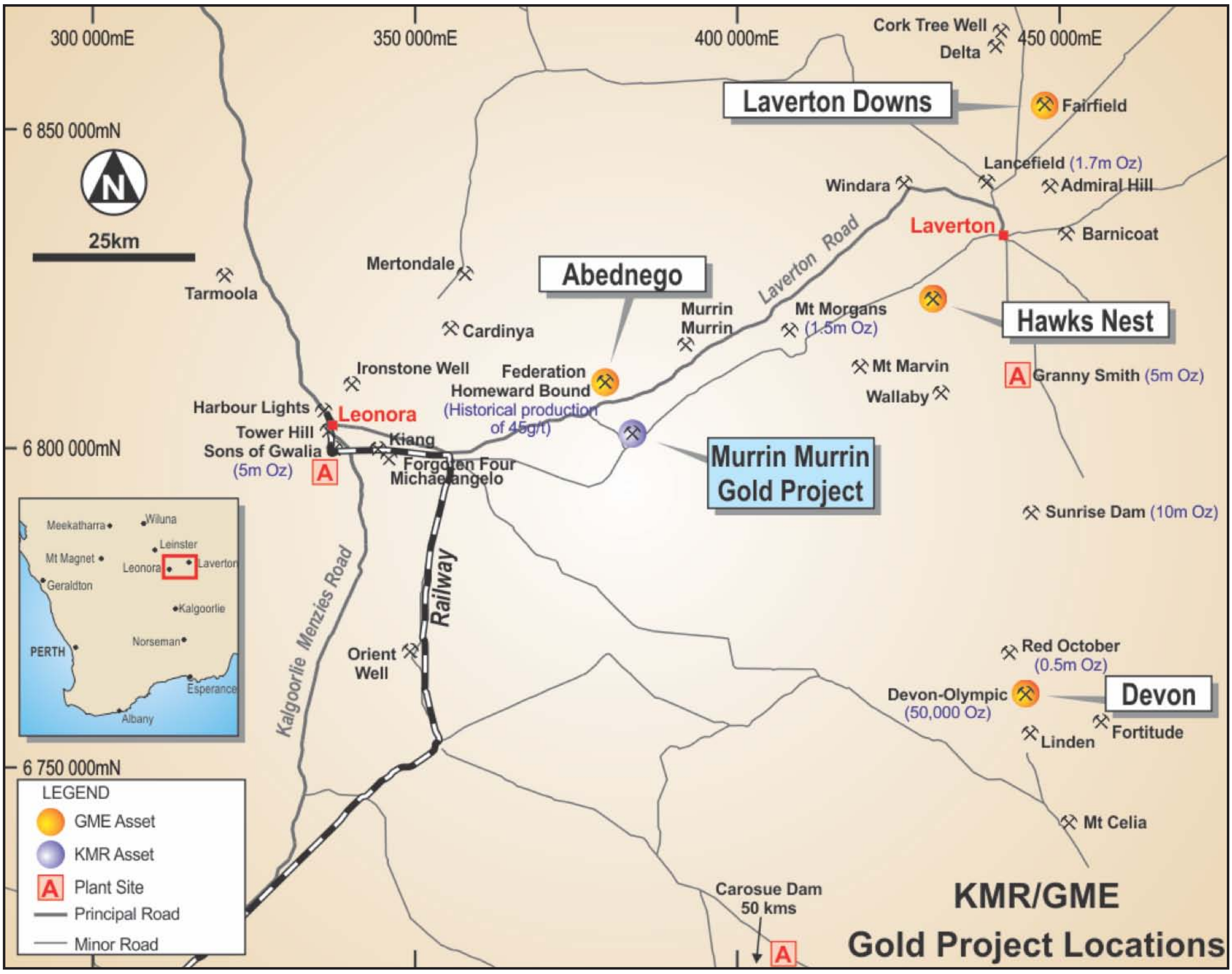
Company Strategy

To unlock unrealised value contained in stranded gold assets through the development of a pipeline of "mine and haul" small to medium size high grade gold resources located within close proximity to third party processing facilities.

GOLDEN CLIFFS NL -100%

GME through its 100% owned subsidiary Golden Cliffs NL (GCNL) owns a number of prospective gold assets in the North Eastern Goldfields of WA. In addition to the Company's gold projects held directly, the Company has recently announced it has signed a binding Terms Sheet that provides the basis to form a 50:50 JV with Zeta Resources Ltd (Zeta) on the Murrin Murrin Gold Project.

The Company's Gold tenement package represents a sizable tenement position in a very productive region that hosts a number of world class projects such as the Sons of Gwalia Mine, Granny Smith, Sunrise Dam, Mount Morgan's, and Lancefield. Within the district are seven gold processing plants owned by third parties and the area is well serviced with arterial bitumen roads, rail line, gas pipeline and well established mining communities.



The above project location outlines the proximity of the respective tenement groups.

The Company's gold projects comprise 30 granted mining tenements, including 13 Prospecting Licences, 1 Exploration Licence, 13 Mining Leases and 3 Miscellaneous Licences. Included in the group are two JORC compliant resources estimated to contain approximately 100,000 ounces of gold.

Linden Area

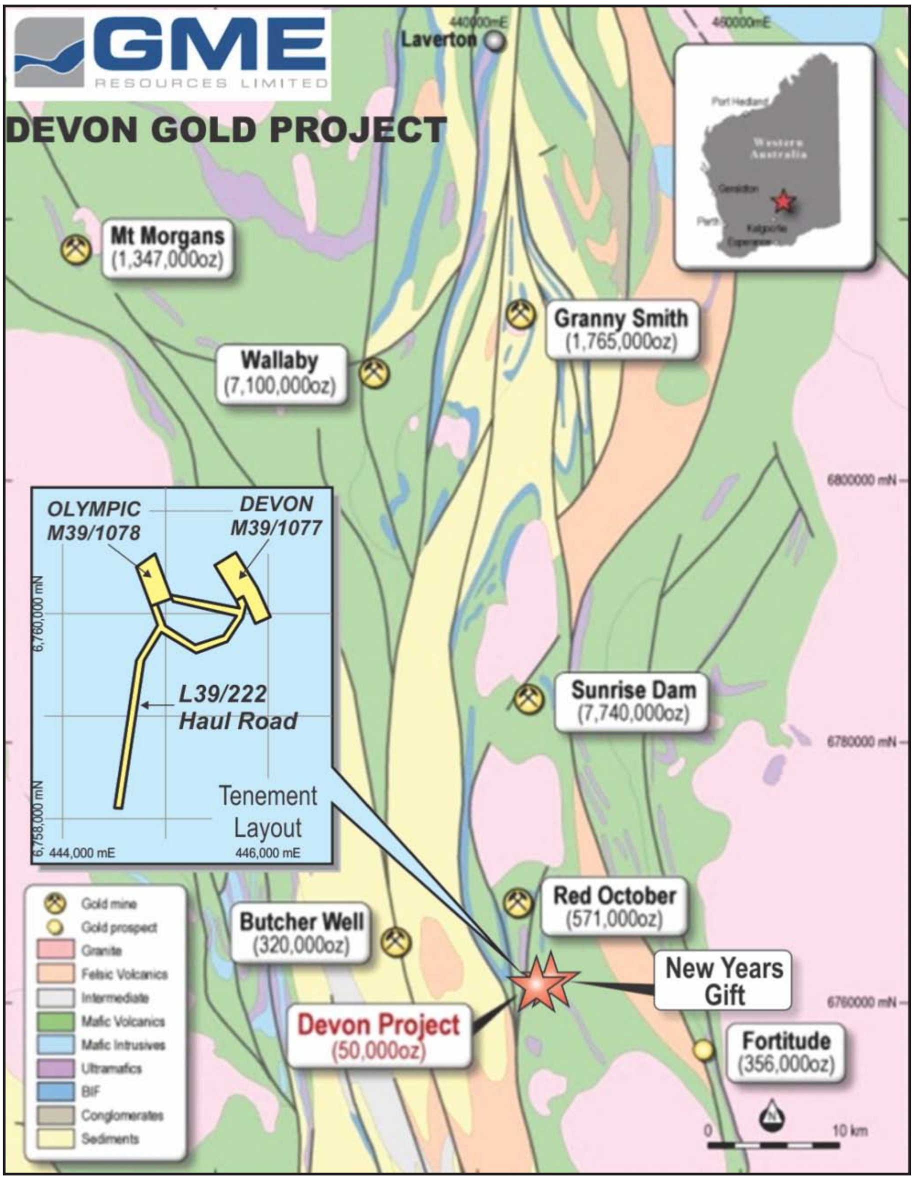
Devon Gold Project including New Year's Gift (M39/1077 – 1078 and E39/1760)

The Devon Gold Project is located within the significantly gold endowed, Laverton Greenstone Belt. Multimillion ounce deposits such as Sunrise Dam (+ 7 million ounces) and Red October (+0.5 million ounces) Wallaby (+7 million ounces), Granny Smith (+1.75 million ounces) and Mt Morgan's (+ 2.5 million ounces) are located within 50 kilometres of strike to the north of the Devon Gold Mine.

The Devon Gold Mine is located adjacent to the historic Linden gold mining centre.

Geology

The gold mineralisation at Devon is localised on a moderate to steeply dipping, North Northwest trending structure. A broad anomalous zone (i.e. 100 ppb Au plus) up to 45m wide in the oxide zone contains a narrow, high-grade portion in the footwall associated auriferous bearing sulphide-quartz veining and alteration. Over the southern half of the Devon deposit, most of the sulphides have been oxidised to limonite within the top 40 metres below the surface. Several less robust, subordinate, lower grade mineralised zones were encountered in the hanging wall. Mineralisation dips to the west ranging from 50 to 65 degrees and is open at depth.



Devon Gold Mine and New Year's Gift Location Plan

Devon Gold Mine – Mining Operation (Feb – Aug 2016)

Following on from the successful trial mining completed in June 2015, the Company commenced work to fast track a Mining Proposal for a full scale mining operation. Between August and November the Company completed grade control drilling, geotechnical diamond drilling, established de-water bores, environmental and heritage surveys, ore block modelling, mine engineering and scheduling. The Mining Proposal was lodged in December and the Company Received approval to proceed in February 2016.

The Mining Proposal involved a cut back of the trial open pit that would allow the mine to be expanded to a depth of approximately 45 metres and included a Haulage and Ore Sale Agreement with Saracen Gold Mines for the purchase of the recovered gold from ore processed at the Carosue Dam Gold Plant.

Contractors associated with the project commenced mobilising in late February and the operation commenced in March. Up to 28 Contractors were housed in a fully self-contained industrial caravan camp. The mining program was completed in August

A total of 50,260 tonnes grading + 5 g/t has been mined and processed. Approximately 18,000 tonnes of low grade ore (circa 1.7g/t) is expected to be processed in October 2016. Final reconciliations from the mine have not been completed at the time of writing this document.

Once haulage of all low grade material has been completed, the mine closure and site rehabilitation will be undertaken.

Devon Gold Mine – August 2016

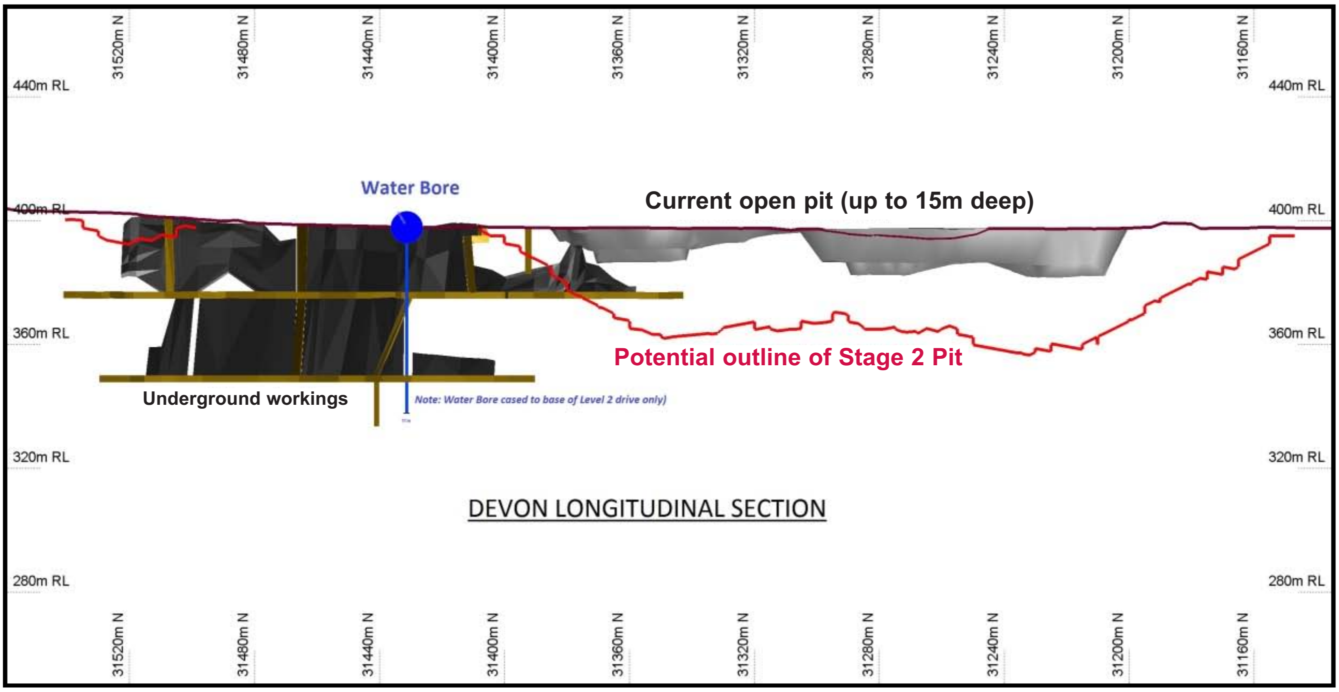
Devon Deeps

The original mine workings at Devon were developed on two levels to a depth of 200 feet (60 metres) over a 140 metres strike length. The historical mine plan as shown in the long section, shows the areas that have been mined in relation to the open pit development. The drilling to the south of the underground workings that subsequently lead to the open pit development has increased the strike length of the mineralisation to over approximately 450 metres. The mineralisation remains open at depth below the open pits and the historical workings.

Prior to the commencement of mining, a number of holes were drilled below the projected pit floor to test for extensions to the gold mineralisation.

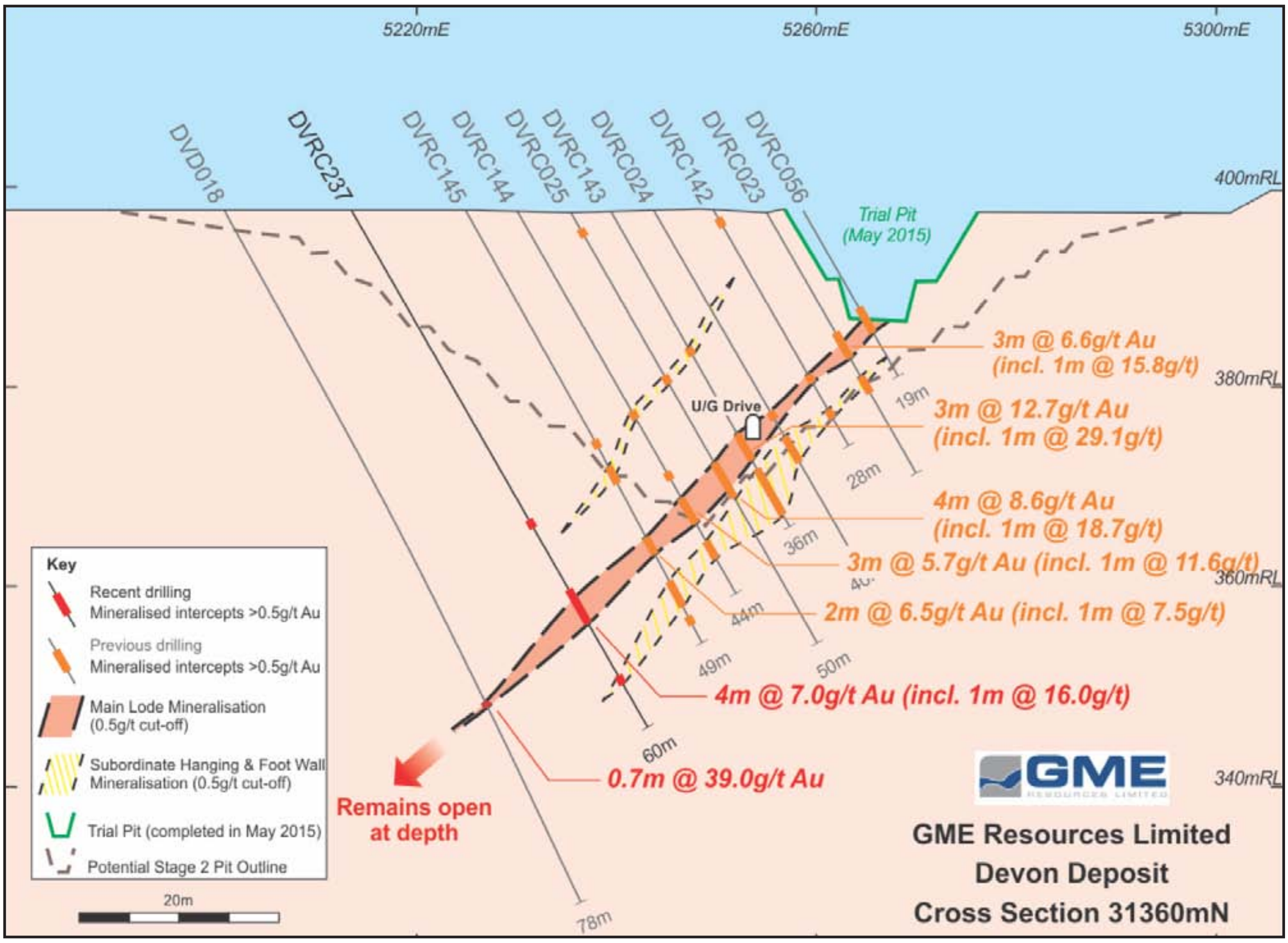
Results from the step-out drilling which intersected the down dip ore positions towards the base and below the planned pit were encouraging and confirm continuity of the high-grade vein, although highly mineralised widths appear to be narrowing with depth. (Refer to following cross sections).

Over the coming year further drilling is planned to test the mineralisation at depth, in particular below the old workings, where historical drill results have recorded numerous intersection above 30g/t.

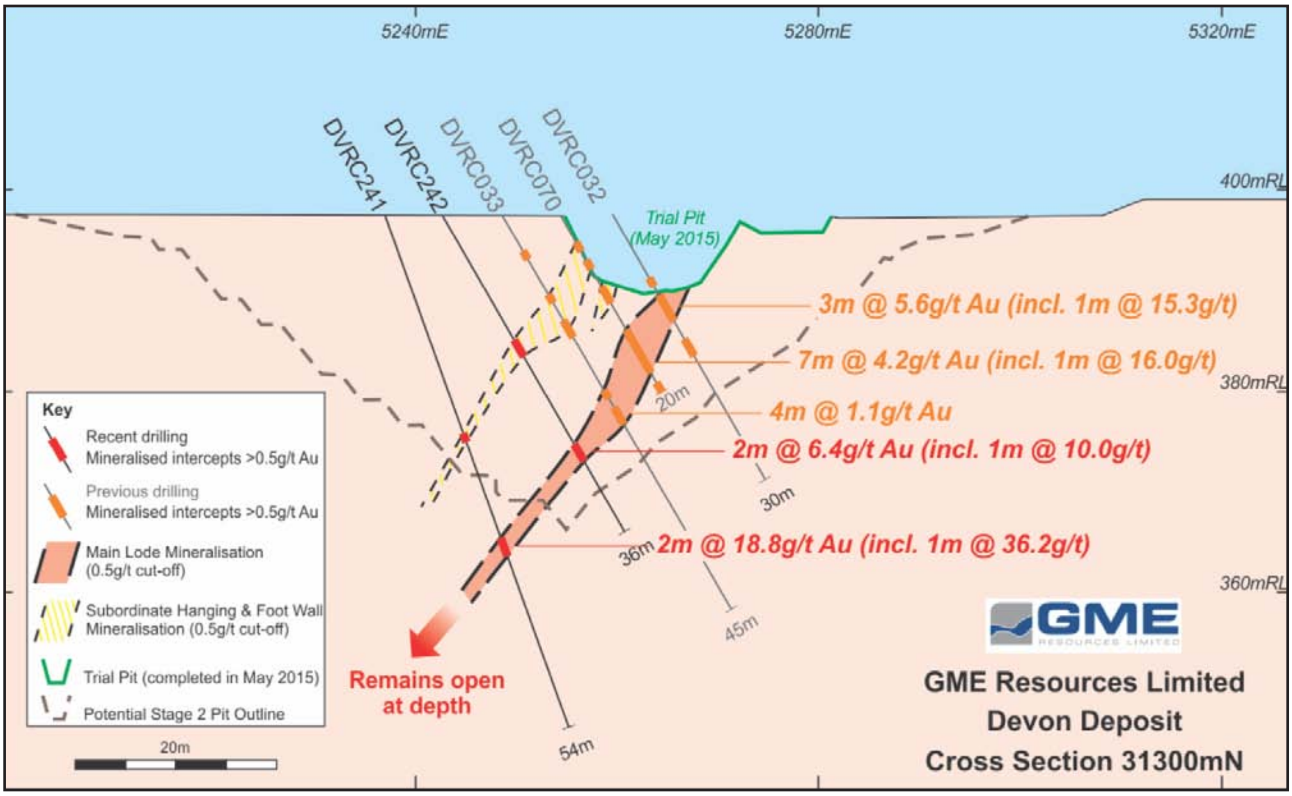


Long Section of Devon showing historical underground working and pit shell outline (red line) from the recent open pit development. Further drilling and evaluation on the depth potential at Devon will be undertaken over the next year.

Devon Deposit Cross Section 31360mN



Devon Deposit Cross Section 31300mN



New Year's Gift - E39/1760

In July 2015, the Company acquired 100% interest in E39/1760 which hosts the New Year's Gift gold prospect. The tenement is located approximately 1000 metres to the north of the Devon Gold Mine.

The New Year's Gift prospect is situated on the western flank of Lake Carey and hosted within the same north-northwest trending greenstone rock package as the Devon deposit. Minimal exploration in the modern era has been undertaken at New Year's Gift.

Previous exploration included four shallow RAB holes that returned up to 6.2 g/t Au and recent rock chip sampling from costeans across the sub-cropping main quartz-limonite lode that returned grades between 0.5 to 29.2 Au grams per tonne.

In November 2015 the Company completed a maiden drilling program comprising four RC holes (i.e. NYGRC001-4) for a total of 200 metres at the New Gift workings. The program was designed to intersect the projected mineralised lode below 20 metres. RC drill holes were nominally spaced 40 m apart testing the zone over approximately 150 metres of strike length. The results which include significant and multiple high-grade intercepts are encouraging and warrant further investigation. A second round of drilling is planned at the project in 2017.

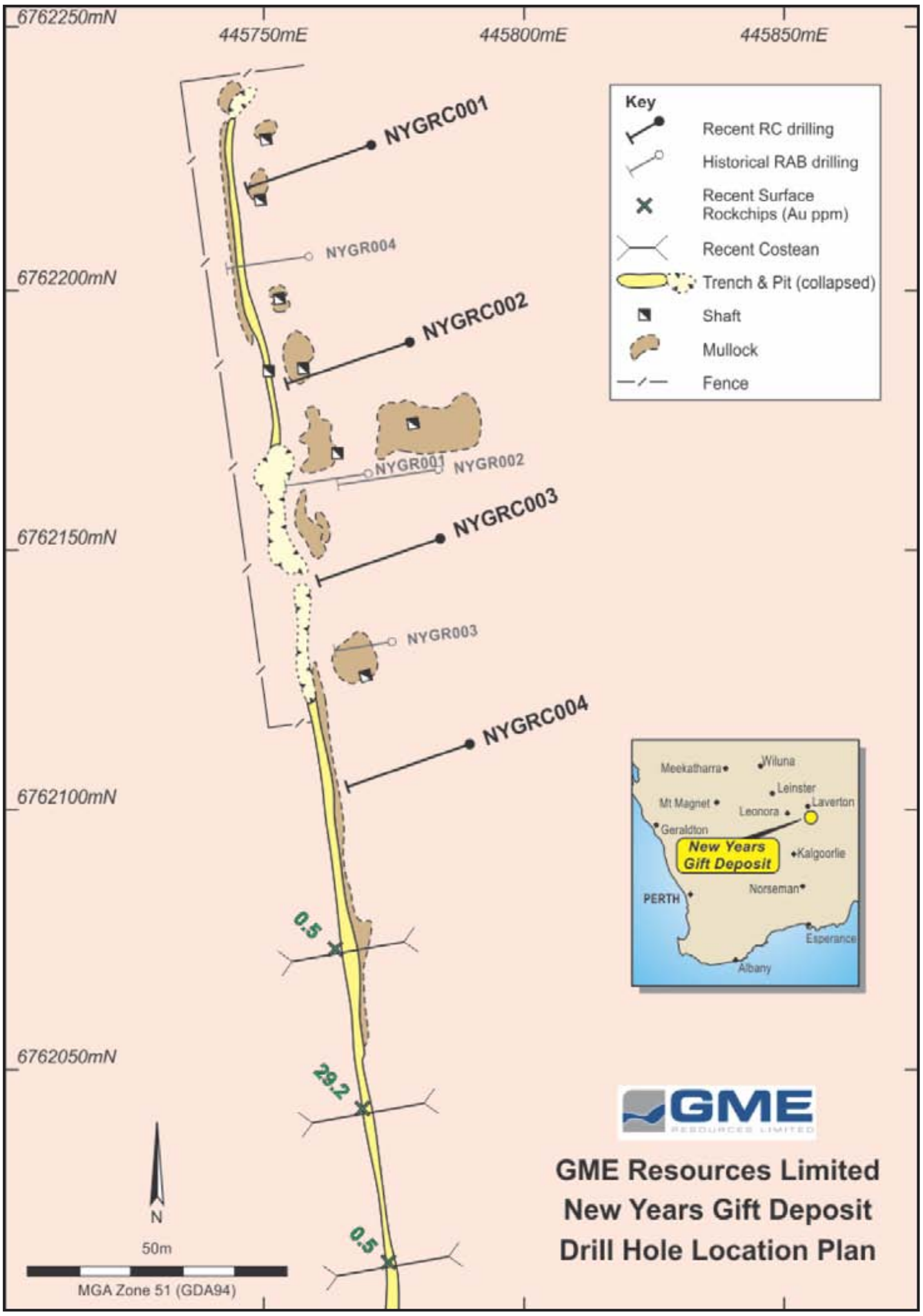
November 2015 Drilling Results

NYGRC002 4m @ 10.6 g/t from 25m (includes 1m @ 32 g/t)

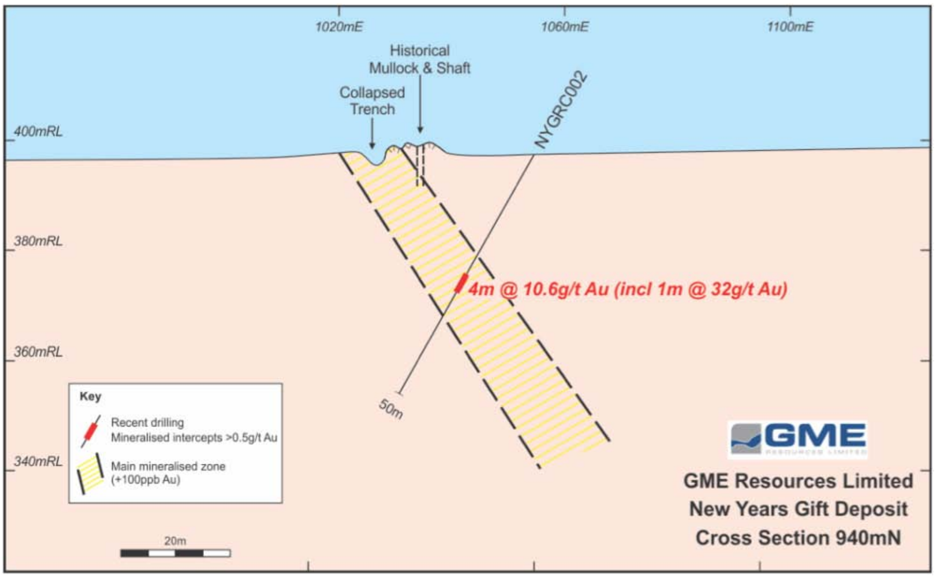
NYGRC004 1m @ 23.6 g/t from 23m

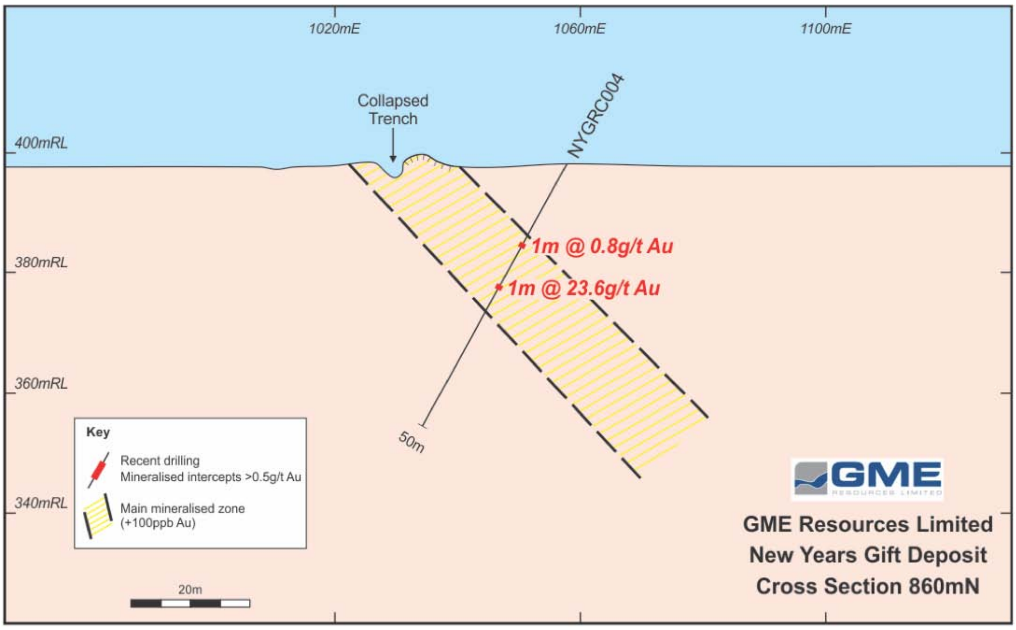
NYGRC001 6m @ 0.54 g/t from 17m

and 1m @ 1.28 g/t from 26m



New Year's Gift - Costean sampling and drill hole Plan





Drill Sections below New Year's Gift gold workings

Devon Gold Mine Resource Statement June 2015 (JORC 2012)

(1 gram / tonne lower cut-off grade)

Category	Tonnes	Grade g/t	Gold Ounces
Measured	124,000	2.75	10,900
Indicated	213,000	3.13	21,450
Inferred	138,000	2.97	13,150
Total	**475,000**	**2.98**	**45,500**

Note: Rounded to appropriate precision

Review of Material Changes

The last reported resource statement for Devon Gold Project was made on the 29 June 2015 (ASX announcement). Material changes to mineral resource estimate include upgrading the resource to JORC2012 standards which take into account depletion of the resource due to recent mining activities. Final depletion volumes and grades are still under review and will only be completed once the final ore has been processed through the Saracens (SAR) Carosue Dam operations and all assay and recovery work has been finalised. An updated resource will be issued once this work is complete.

Murrin Murrin Gold Project (GCNL earning 50% by spending $1.5m)

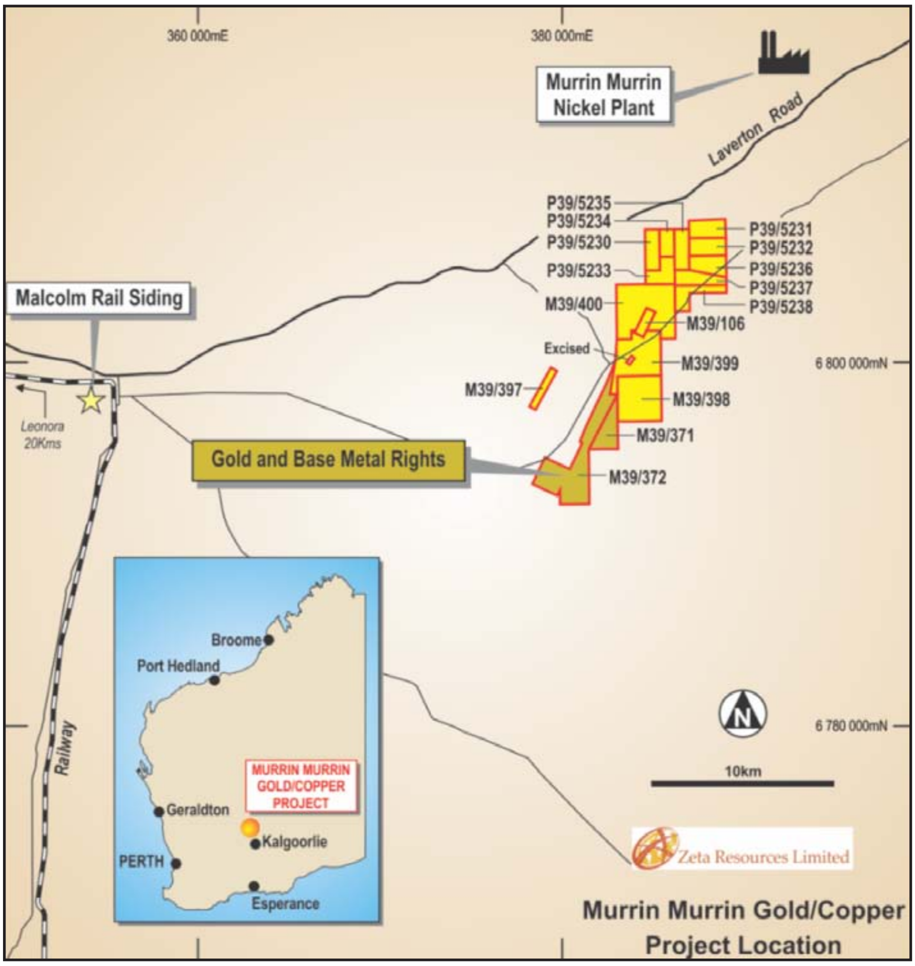
M39/397 – 400, P39/5230 -5238

GME (through its subsidiary Golden Cliffs NL) and Zeta Resources Ltd have agreed the Terms Sheet to enter into an agreement that provides for the formation of a Joint Venture whereby GCNL will manage and develop the Murrin Murrin Gold Project.

The Murrin Murrin project is located 45 kilometres east of Leonora in the North Eastern Goldfields of Western Australia. The project consists of a group of six contiguous granted mining leases and eight prospecting licenses over the historic Murrin Murrin Mining Centre.

Gold was discovered at Murrin Murrin in 1897. Numerous underground operations were developed with production exceeding 100,000 ounces before the eventual closure of the mines in 1946. In 1997 Dominion Mining developed two shallow open pits at the Malcolm and Challenger mines, where a further 14,000 ounces (126,531 tonnes averaging 3.5g/t) were mined and trucked to the Mt Morgan's gold plant for treatment.

Several copper/zinc prospects also occur within the tenements with copper concentrate production from the Nangeroo mine recorded at 1251 tonnes grading 19.7% copper (247 tonnes) and Rio Tinto mine recorded at 696 tonnes grading 10.6% Cu (74 tonnes).



Murrin Murrin Gold/Copper Project Location

Geology

Gold Mineralisation at Murrin Murrin is associated within weathered sulphide bearing quartz veins discontinuously developed in distinct north northwest trending shear or fault zones. These zones form a fairly closely spaced "en echelon" array on the eastern limb of the south plunging Kilkenny Syncline that vary from a half a metre to up to 10 metres wide mostly filled by quartz vein material. These zones can be traced for up to three kilometres.

Shearing intensity adjacent to the main quartz veins varies from weak to strong, and alteration associated with gold mineralisation includes sulphide, silica, carbonate, chlorite and sericite/kaolin.

Numerous well developed underground workings down to 70 metres in depth exist throughout the Murrin Murrin project. Most of the workings have been subjected to some level of drilling in the past, the major focus being at the Malcolm and Challenger mines.

Previous Gold Exploration

Between 2011 and 2014, Zeta completed 67 RC drill holes for 4668 metres. Other work programs included low level aeromagnetic survey, metallurgical test work, preliminary pit optimisation studies and site rehabilitation. The area has been subjected to numerous drilling programs over the past 25 years. Much of the historical drilling was targeted at the oxide resource which was exploited by Dominion in 1997.

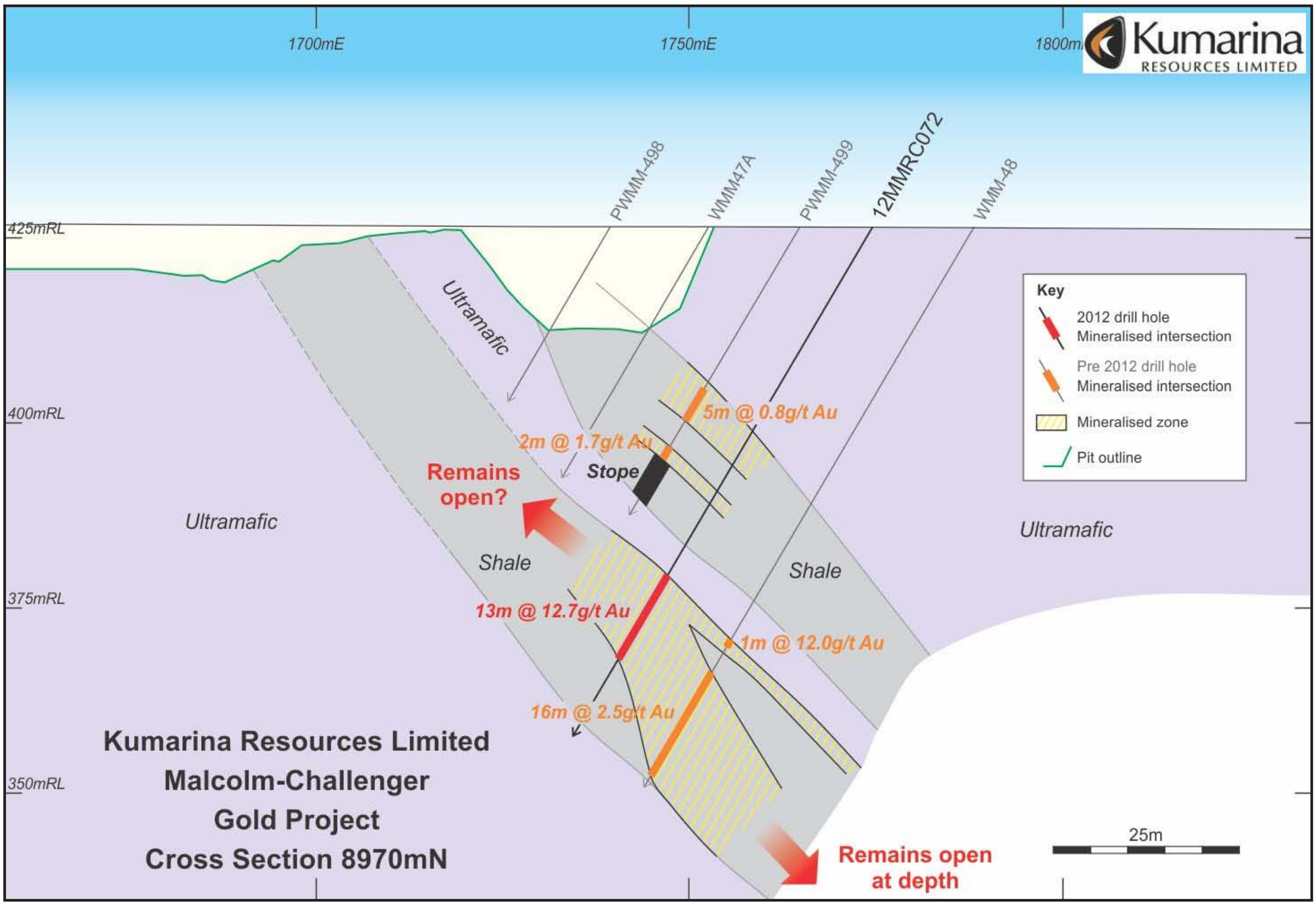
Drilling by Zeta (2012- 2014) at Malcolm Challenger returned positive results with some significant intersections of high grade gold mineralisation. Examples of these results include

12MMRC072	**13 metres @ 12.6 g/t**	**from 52 metres**
12MMRC068	**7 metres @ 12.7 g/t**	**from 63 metres**
12MMRC063	**21 metres @ 4.2 g/t**	**from 39 metres**
12MMRC064	**13 metres @ 4.2 g/t**	**from 13 metres**
12MMRC053	**4 metres @ 6.4 g/t**	**from 18 metres**
12MMRC061	**5 metres @ 3.2 g/t**	**from 62 metres**
12MMRC070	**8 metres @ 5.0 g/t**	**from 47 metres**
12MMRC074	**11 metres @ 3.5 g/t**	**from 35 metres**
12MMRC075	**8 metres @ 3.4 g/t**	**from 40 metres**
13MMRC006	**3 metres @ 33.3 g/t**	**from 100 metres**
13MMRC007	**3 metres @ 6.9 g/t**	**from 40 metres**
13MMRC002	**2 metres @ 4.6 g/t**	**from 63 metres**

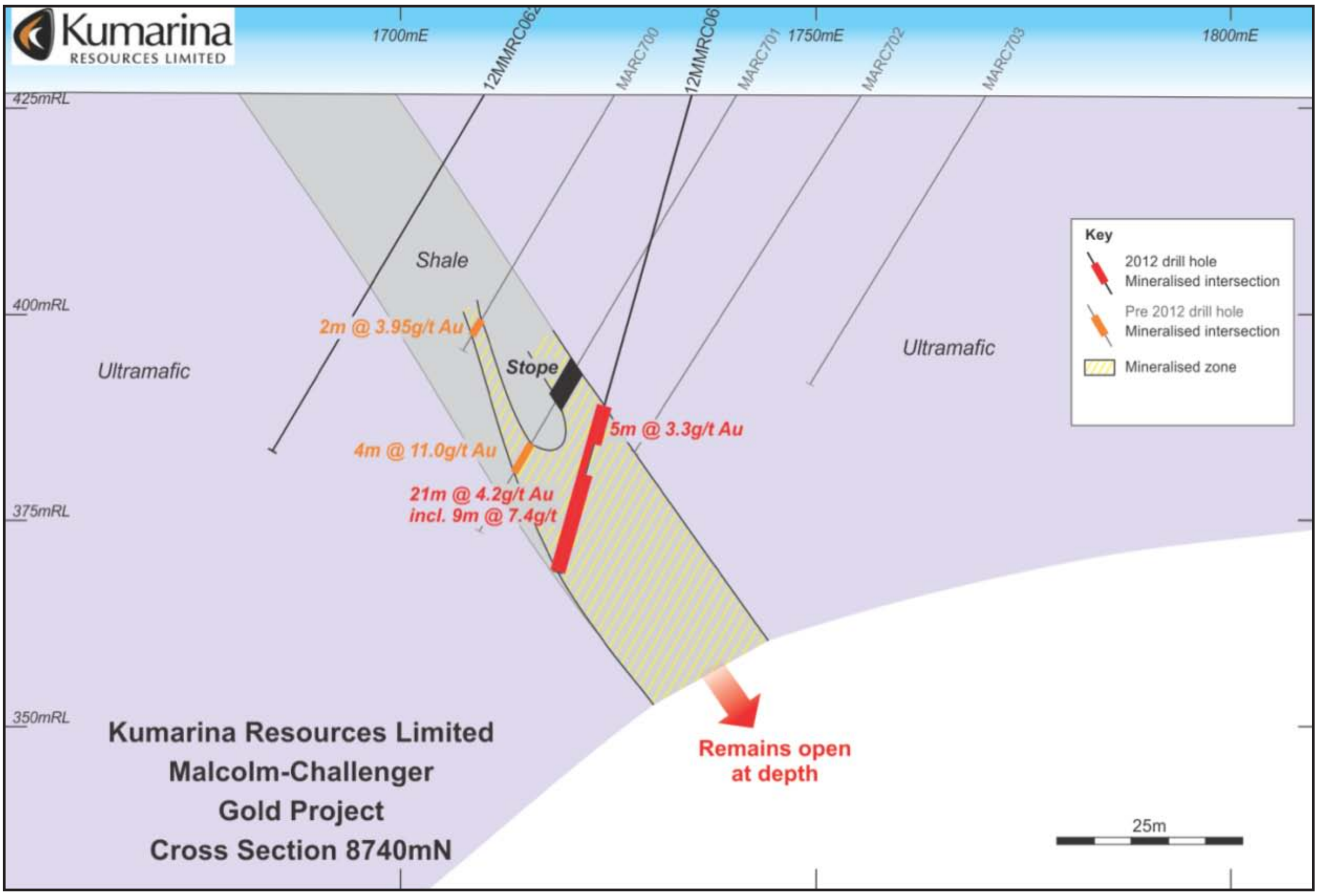
The mineralisation at the Malcolm Challenger project is hosted by a quartz stockwork located within multiple sedimentary shale units (up to 30 metres thick) bounded by ultramafics. Gold grades within the quartz stockwork vary from 0.3g/t to 80 g/t with the higher grades located near the geological contact of the ultramafic unit.

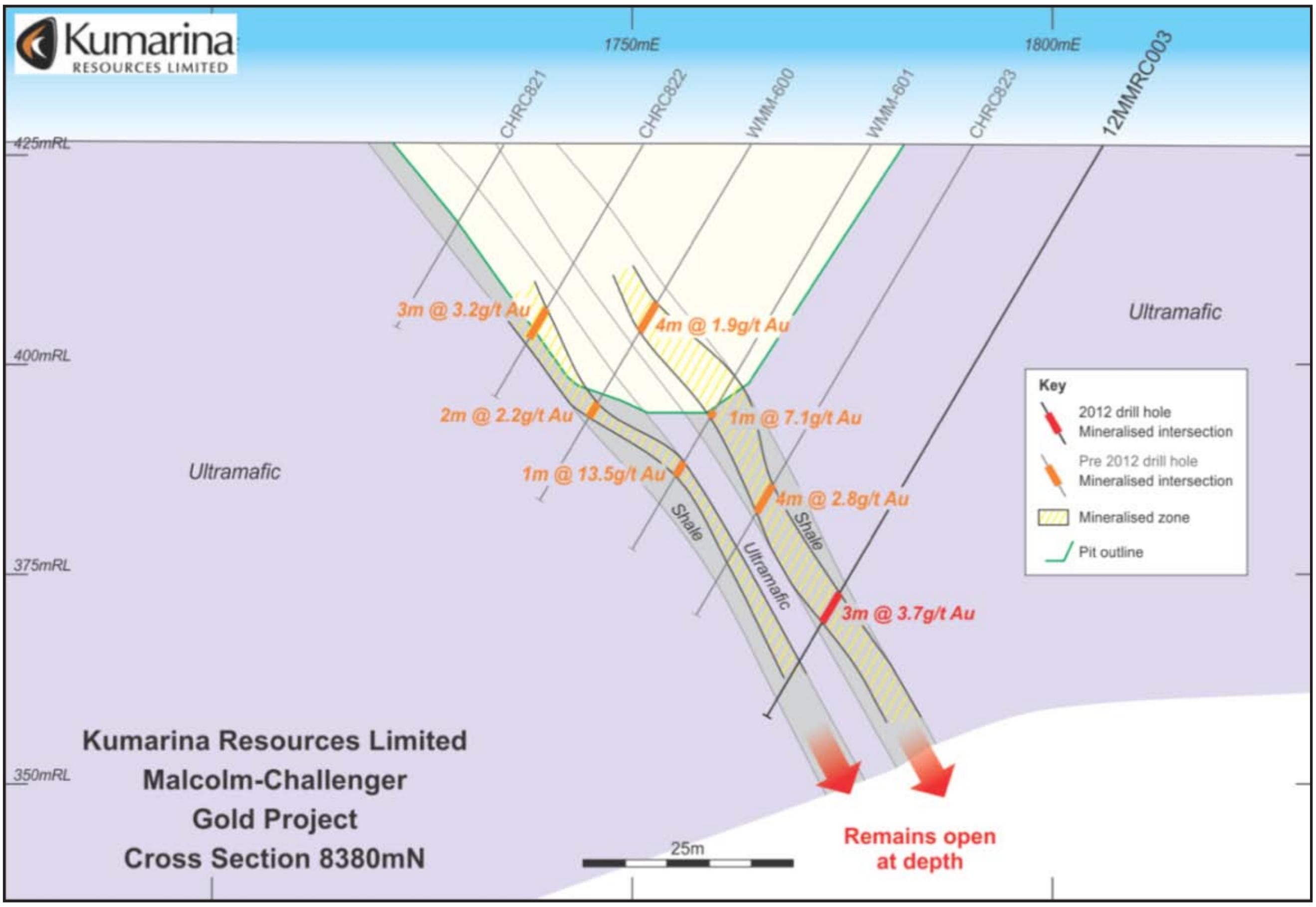
The results from the drilling programs completed indicate that good potential to delineate an economic mine at the Malcolm Challenger project exists. Further drilling is currently underway to increase confidence in the resource. The Company will make a decision on whether to complete the Earn In or withdraw from the project once the results have been reviewed in conjunction with the previous drilling results.

The following cross section diagrams demonstrate grades and width of the mineralisation intersected in previous drilling programs.



Malcom-Challenger Drill Sections





Malcom-Challenger Drill Sections

Malcolm Challenger Resource

Zeta Resources Limited reported a resource estimate for the Malcolm Challenger gold project in January 2014. The uncut resource which is compliant to JORC 2012 standards is classified under the Indicated Category and contains 547,000 tonnes averaging 3.12 grams per tonne for 54,875 ounces based on a 1 g/t cut-off grade.

The resource estimate followed a series of reverse circulation drilling campaigns completed to test mineralisation below and between two historical open pits mines located at the Malcolm and Challenger mines.

Mineralisation is continuous for approximately 1000 metres and has been drill tested to a depth of 100 metres. The mineralisation is located in a series of lodes that plunge to the south and remains open at depth.

The drilling program highlighted the potential to extend the resource with several robust intersections below 90 metres

13MMRC006 3 metres @ 33.3 g/t at 100 metres

13MMRC0005 3 metres @ 3.6g/t at 91 metres

The Mineral Resource was estimated based on RC drill hole data obtained from 295 historical holes (15,917m), and 67 holes (4,634m) drilled by Zeta in 2012-2013. Hole depths ranged from 10 to 201 metres, (averaging 54 metres) with the majority of holes dipping at approximately 60 degrees and orthogonal to strike. The vast majority of all zones are open at depth and potential exits to increase the resource with deeper drilling.

Malcolm Challenger - Resource Statement - (Zeta ASX - 22 January 2014) (JORC 2012)

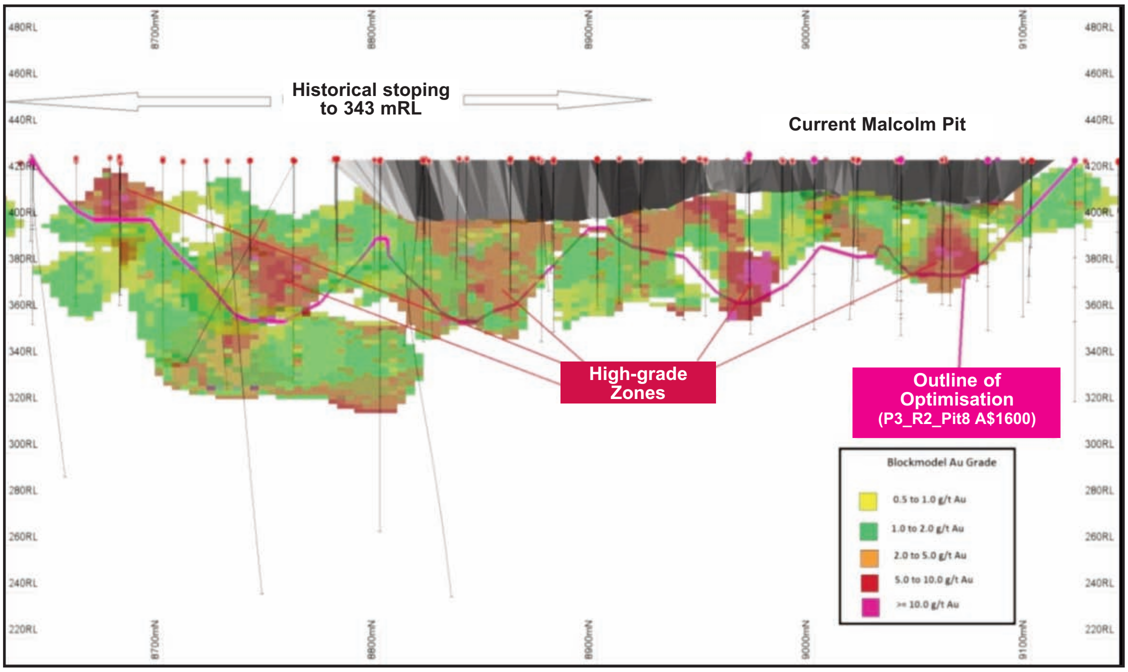
(1 gram / tonne lower cut-off grade)

Category	Tonnes	Grade g/t	Gold Ounces
Indicated	547,000	3.12	54,875
Total	**547,000**	**3.12**	**54,875**

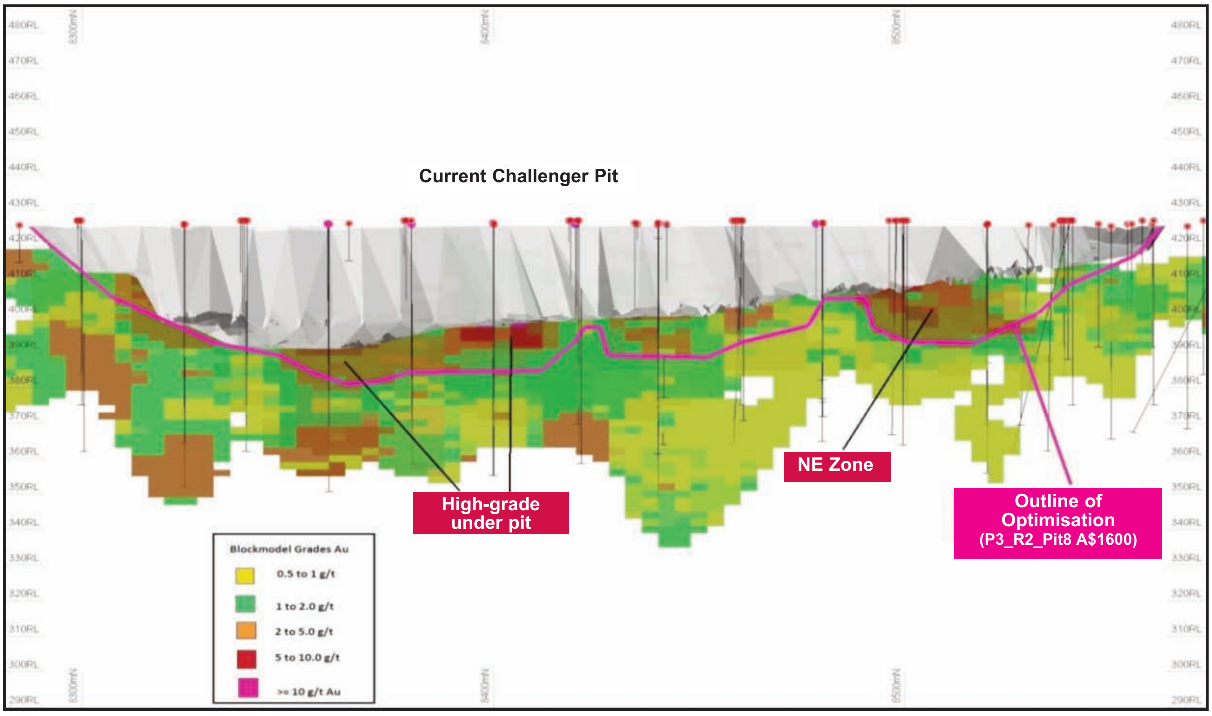
Note: Rounded to appropriate precision

Review of Material Changes

The last reported resource statement for Malcolm Challenger Gold Project was made on the 29 June 2015 (ASX announcement). No Material changes to mineral resource estimate have occurred since the resource estimate was undertaken.



Ore Blocks below Malcolm Pit



Ore blocks below the Challenger Pit

Outside of the Malcolm-Challenger resource area the remaining tenure has not been subjected to a modern concerted exploration effort, with historical exploration defining numerous gold and base metal prospects/targets. Highlights from historical drilling are shown on the following plan. Further exploration to build resource inventory at these prospects is warranted and will be systematically explored as programs are developed over the next year.

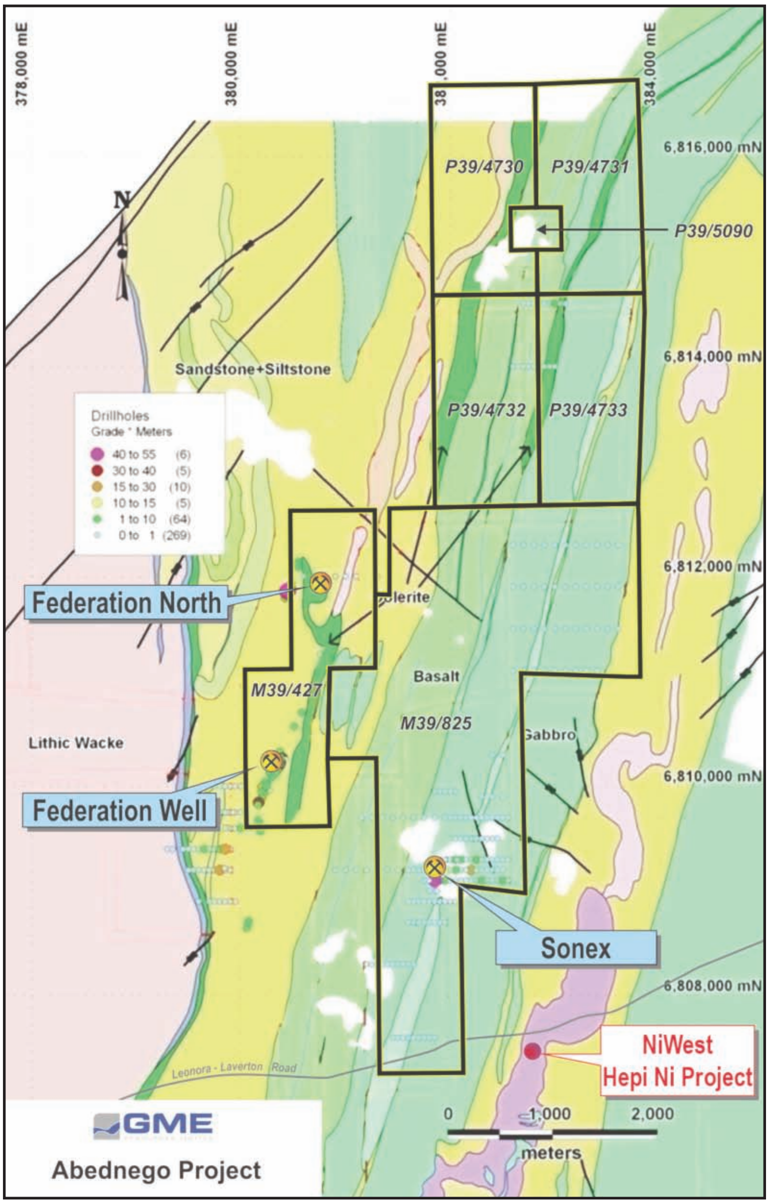
Abednego Project M39/247 M39/825 P39/4730 - 4733

The Abednego Project is located adjacent to the Leonora Laverton bitumen road, 50 kilometres east of Leonora. The tenement group is centred over the Federation Shear, a northeast trending splay off the Keith Kilkenny Tectonic Zone. The project area is located five kilometres north of the Murrin Murrin Gold Project and covers an area of 16 km^2. Three advanced gold targets, Federation Well, Federation North and Sonex have been identified on the tenure.

Abednego Project Plan showing the Federation / Homeward Bound mines and Sonex gold Prospects.

The area has been subjected to numerous exploration phases since the early 1960s. The majority of the drilling has been over the western group of tenements which host the historic Federation Well, Homeward Bound and Federation North gold workings.

Other than the above mentioned prospects which are identified by historical underground workings, a number of geochemical gold anomalies were identified within the tenement package. The most significant of these is the Sonex, which is located on a parallel structure approximately two kilometres east of the Federation shear. Shallow aircore drilling at the Sonex prospect revealed a body of supergene mineralisation. Step out RC and diamond drilling intersected high grade primary mineralisation 5m @ 15g/t between 70 and 75 metres below surface.



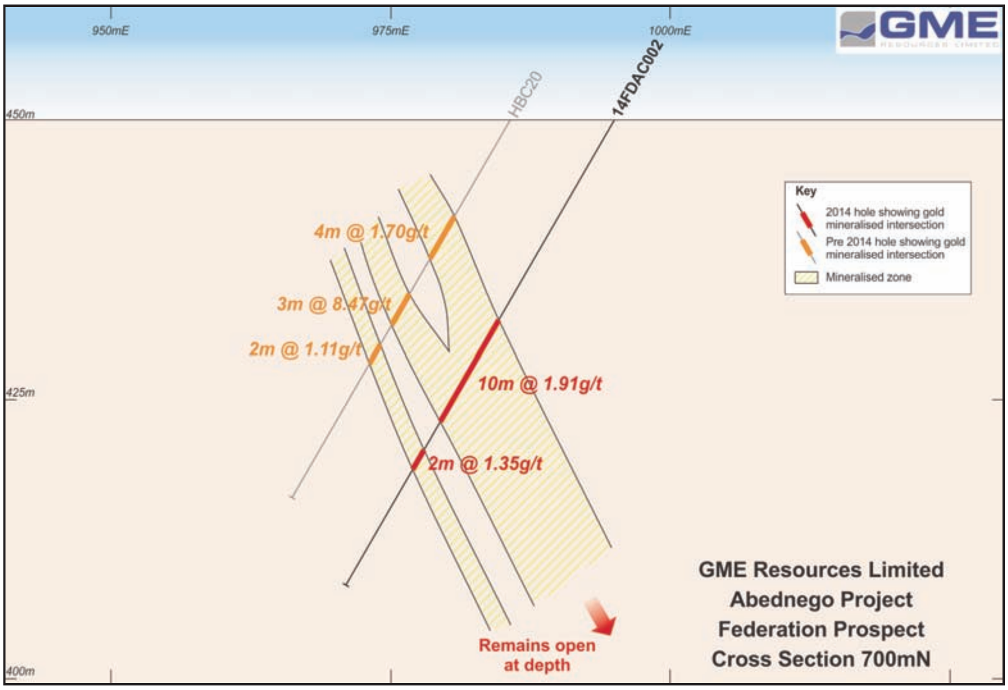
Numerous drilling campaigns by previous companies have been completed within the tenement package. Highlights from these programs have been complied and are listed in the following table

ABEDNEGO PROJECT – *Historical Drilling Highlights*

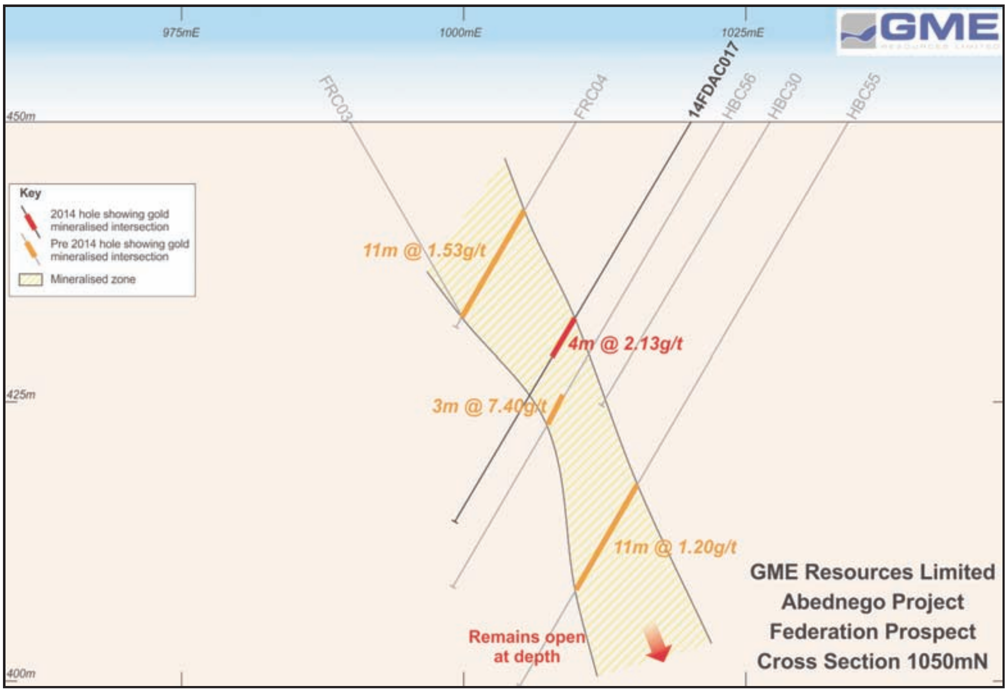
Federation Well		
HBC31	20m @ 2.5 g/t Au	from 22 metres
FRC1	8m @ 5.4 g/t Au	from 16 metres
HBC20	15m @ 2.5 g/t Au	from 12 metres
HBC47	15m @ 2.0 g/t Au	from 45 metres
FRC8	2m @ 14.8 g/t Au	from 32 metres
HBC56	3m @ 7.4 g/t Au	from 28 metres
FRC4	m @ 1.5 g/t Au	from 9 metres
FRC11	15m @ 1.2 g/t Au	from Surface
HBC55	11m @ 1.2 g/t Au	from 37 metres
Federation North		
FNR3	22m @ 2.5 g/t Au	from 8 metres
FNRC10	10m @ 3.7 g/t Au	from 1 metre
FNRC8	9m @ 3.4 g/t Au	from 5 metres
FNR15	12m @ 3.1 g/t Au	from Surface
HBC40	8m @ 5.0 g/t Au	from 12 metres
HBR8	28m @ 1.6 g/t Au	from 2 metres
HBC40	9m @ 2.6 g/t Au	from 24 metres
FNR1	12m @ 1.7 g/t Au	from Surface
FNR17	8m @12.5 g/t Au	from Surface
FNR6	4m @ 2.9 g/t Au	from 12 metres
Sonex		
ABC13	5m @ 15.0 g/t Au	from 70 metres
ABR60	6m @ 2.5 g/t Au	from 32 metres
ABR59	3m @ 1.5 g/t Au	from 2 metres
ABR41	3m @ 1.5 g/t Au	from 8 metres
ABR112	3m @ 2.0g/t Au	from 5 metres

Recent drilling completed by GCNL at Federation has highlighted a broad mineralised structure over a 500 metres strike length. Examples of the cross sections of this drilling are displayed below.

Drilling at Sonex and the Federation shears are planned for later in 2016.



GME Federation Prospect cross section 700mN



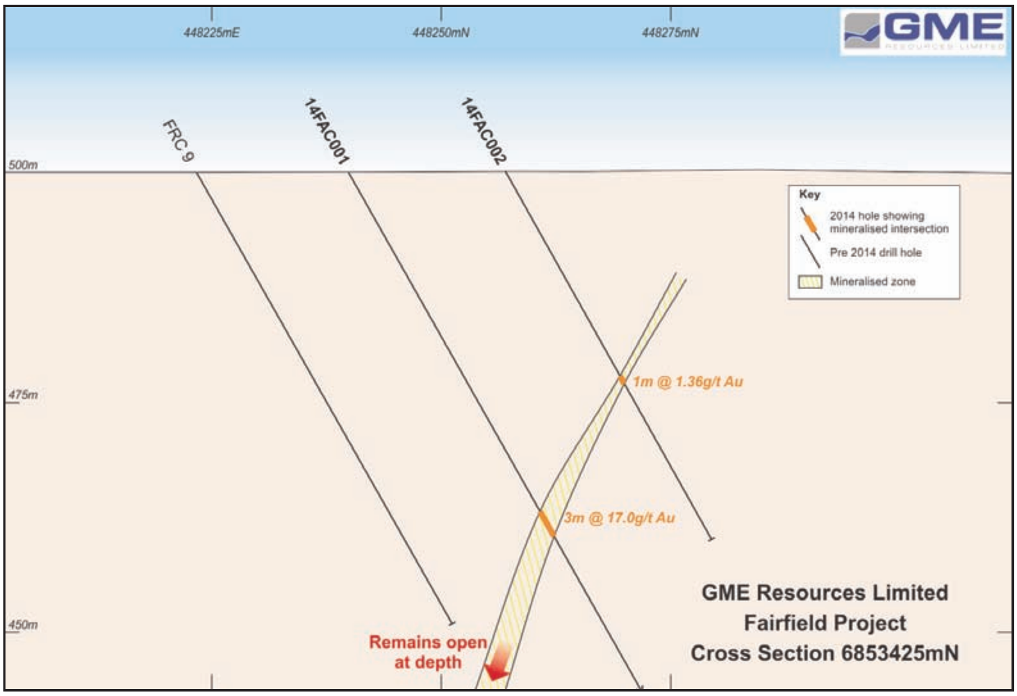
GME Federation Prospect cross section 1050mN

Laverton Downs - M38/1266

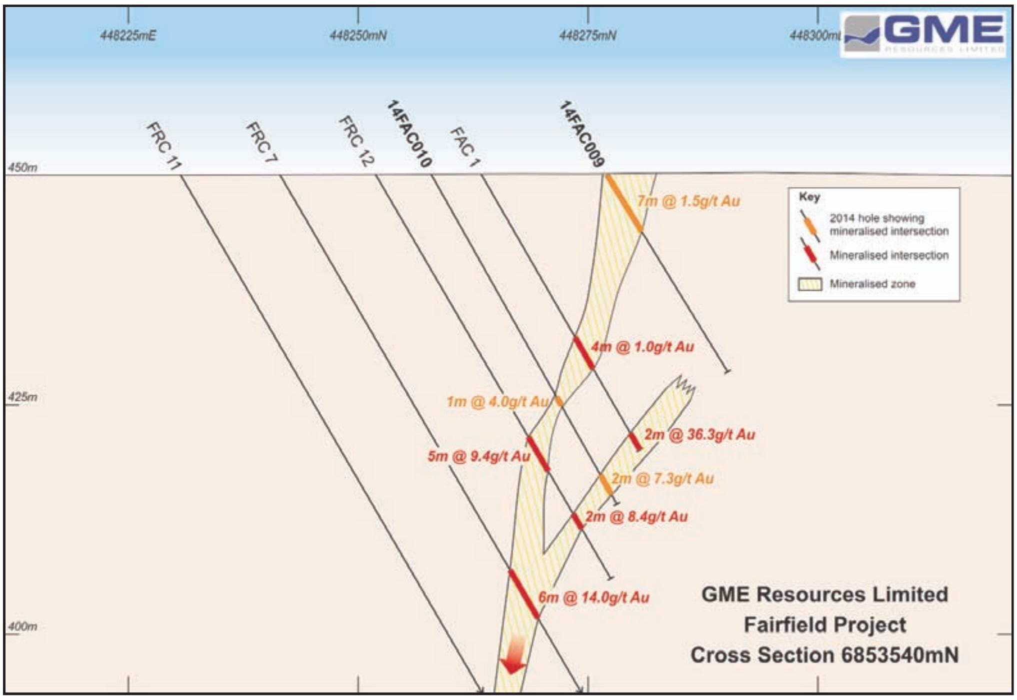
Fairfield Gold Prospect

The Laverton Downs Project hosts the historical Fairfield Gold workings located on granted mining lease M38/1266, 15 kilometres north of the Laverton Township. Mineralisation at Fairfield is hosted by quartz veins associated with the steep west dipping lithological contact between hanging wall basalt and the footwall package of felsic and clastic sediments.

In 2014 the Company completed an infill air core drilling program to verify results from historical drilling programs. Results from the program were encouraging with economic grades encountered in a number of holes. Best results are listed below along with two cross sections showing the interpreted mineralised structures. Follow up drilling is planned in 2016. A review of the results collated to date, indicate there is good potential to delineate a small high grade deposit with further drilling.



GME Fairfield Project cross section 6853425mN



GME Fairfield Project cross section 6853540mN

Competent Persons Statement

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

The information in this report that relates to Gold Exploration Results and is based on information compiled by Mr Mark Hill & Mr Mark Gunther who are member of The Australasian Institute of Geoscientists. Mr Hill is a Principal Consultant with Exman Consultancy and Mr Gunther an employee of Eureka Geological Services. Messrs Hill & Gunther have sufficient experience, which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves. Messrs Hill & Gunther consents to the inclusion in the report of the matters based on information provided in the form and context in which it appears.

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Stephen Hyland of Ravensgate Resource Consultants. Mr Hyland is a Fellow 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 Hyland has sufficient experience, which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Mr Hyland consents to the inclusion in the report of the matters based on information provided in the form and context in which it appears.

Forward Looking and Cautionary Statements

Some statements in this report regarding estimates or future events are forward-looking statements. They include indications of, and guidance on, future earnings, cash flow, costs and financial performance. Forward-looking statements include, but are not limited to, statements preceded by words such as "planned", "expected", "projected" "estimated" "may", "scheduled", "intends", "potential", "could" "nominal" "conceptual" and similar expressions. Forward looking statements, opinions and estimates included in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward looking statements are provided as a general guide only and should not be relied on as a guarantee of future performance. Forward looking statements may be affected by a range of variables that could cause actual results to differ from estimated results. The Company believes it has a reasonable basis for making the forward looking statements in this announcement.

Tenement Schedule

As at 30 June 2016

Project	Tenements	Interest Beginning Year	Interest End Year
Abednego West	P39/4730 -4733	Golden Cliffs 100%	Golden Cliffs 100%
	M39/427, M39/0825	Golden Cliffs 100%	Golden Cliffs 100%
	P39/5557 -5559	Golden Cliffs 100%	Golden Cliffs 100%
Eucalyptus	M39/744	NiWest 100%	NiWest 100%
	M39/289, M39/430 M39/344	NiWest 100%	NiWest 100%
	M39/666 and M39/674	NiWest 100%	NiWest 100%
	M39/313, M39/568,	NiWest 100%	NiWest 100%
	M39/802 - 803	NiWest 100%	NiWest 100%
	P39/5459	NiWest 100%	NiWest 100%
	E39/1795,	NiWest 100%	NiWest 100%
	E39/1859, E39/1860	NiWest 100%	NiWest 100%
Hawk Nest	M38/218	Golden Cliffs 100%	
Hepi	M39/717 - 718, 819	NiWest 100%	NiWest 100%
Laverton Downs	M38/1266	Golden Cliffs 100%	Golden Cliffs 100%
Linden	M39/1077 – 1078 E39/1760	Golden Cliffs 100%	Golden Cliffs 100%
	ML 39/500	GME 10% / 90% Exterra Resources	GME 10% / 90% Exterra Mining
Mertondale	M37/591	NiWest 100%	NiWest 100%
Mt Kilkenny	M39/878 – 879, E39/1784	NiWest 100%	NiWest 100%
	E39/1794, E39/1831 E39/1873	NiWest 100%	NiWest 100%
	P39/5508,5509,5510,5528	NiWest 100%	NiWest 100%
Murrin Murrin	M39/426, 456, 552, 553 and 569	GlenMurrin 100% Nickel laterite royalty 20 cents per tonne	Golden Cliffs rights to non-nickel laterite
Murrin North	M39/758	NiWest 100%	NiWest 100%
Waite Kauri	M37/1216	NiWest 100%	NiWest 100%
	P37/8427-8428	NiWest 100%	NiWest 100%
Wanbanna	M39/460	NiWest 80% / 20% Wanbanna Pty Ltd	NiWest 80% / 20% Wanbanna Pty Ltd
Murrin Murrin Gold Project	M39/397 - 400, M39/1068	Golden Cliffs NL 0% (Earn In up to 50%)	Golden Cliffs NL 0% (Earn In up to 50%)
Misc. Licences	L37/175, L31/46, L40/25	NiWest 100%	NiWest 100%
	L39/215, L39/177, L37/205	NiWest 100%	NiWest 100%
	L39/222, L39/235, L39/237, L39/238	Golden Cliffs 100%	Golden Cliffs 100%

LEGEND

E: Exploration Licence
P: Prospecting Licence
PLA: Prospecting Licence Application
M: Mining Lease
ELA: Exploration Licence Application
L: Miscellaneous Lease
MLA: Mining Lease Application

Annual Mineral Resources Statement

NiWest Nickel Laterite Project – North Eastern Goldfield Western Australia

Summary of Mineral Resource Estimate Reported according to JORC (2004)

0.7% COG	CATEGORY	Tonnes (Millions)	%Ni	%Co	Ni Metal (tonnes)	Co Metal (tonnes)
	Measured	45.86	0.96	0.06		
	Indicated	32.28	0.92	0.06		
	Inferred	30.32	0.89	0.06		
	Combined	108.46	0.93	0.06	1,008,678	65,076

0.8% COG	CATEGORY	Tonnes (Millions)	%Ni	%Co	Ni Metal (tonnes)	Co Metal (tonnes)
	Measured	34.22	1.04	0.07		
	Indicated	22.41	0.99	0.06		
	Inferred	19.09	0.96	0.06		
	Combined	75.73	1.01	0.06	764,772	45,432

1.0% COG	CATEGORY	Tonnes (Millions)	%Ni	%Co	Ni Metal (tonnes)	Co Metal (tonnes)
	Measured	19.21	1.19	0.08		
	Indicated	8.47	1.14	0.08		
	Inferred	5.07	1.14	0.07		
	Combined	32.75	1.17	0.08	383,175	26,200

1.2% COG	CATEGORY	Tonnes (Millions)	%Ni	%Co	Ni Metal (tonnes)	Co Metal (tonnes)
	Measured	7.43	1.37	0.09		
	Indicated	2.23	1.31	0.09		
	Inferred	1.29	1.28	0.09		
	Combined	10.95	1.34	0.09	146,730	9,855

Review of Material Changes

The last reported resource statement for NiWest Nickel Laterite Project was on 6 April November 2011 (ASX announcement). There has been no material change to mineral resource estimate has not changed over the past 12 months. Nominal changes to the second decimal point have occurred in combined resource totals due to rounding protocols.

Devon Gold Project - North Eastern Goldfields Western Australia

Summary of Mineral Resource Estimate Reported according to JORC (2012) at 1 and 2g/t cut-off grade

Devon Gold Project – Resource Estimate

(2 gram / tonne lower cut-off grade)

Category	Tonnes	Grade g/t	Gold Ounces
Measured	62,100	4.08	8,150
Indicated	141,550	3.95	17,970
Inferred	84,300	3.93	10,640
Total	**288,000**	**3.97**	**36,760**

Note: Rounded to appropriate precision

Devon Gold Project – Resource Estimate

(1 gram / tonne lower cut-off grade)

Category	Tonnes	Grade g/t	Gold Ounces
Measured	124,000	2.75	10,900
Indicated	213,000	3.13	21,450
Inferred	138,000	2.97	13,150
Total	**475,000**	**2.98**	**45,500**

Note: Rounded to appropriate precision

Review of Material Changes

The last reported resource statement for Devon Gold Project was made on the 29 June 2015 (ASX announcement). No material changes have been made to the mineral resource estimate. The resource statement does not take into account any depletion of the resource due to the recent mining activities.

Governance and Quality Control

The Company ensures all resources calculations are undertaken and reviewed by independent, internationally recognised industry consultants.

All drill hole data is stored in-house within a commercially available purpose designed database management system and subjected to industry standard validation procedures. Quality control on resource drill programs have been undertaken to industry standards with implementation of appropriate drilling type, survey data collection, assay standards, sample duplicates and repeat analyses.

Competent Person Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Stephen Hyland of Ravensgate Resource Consultants. Mr Hyland is a Fellow 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 Hyland has sufficient experience, which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Mr Hyland consents to the inclusion in the report of the matters based on information provided in the form and context in which it appears.

Directors' Report

Your Directors present their report of GME Resources Limited and its controlled entities ("consolidated entity" or "group") for the financial year ended 30 June 2016. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

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)
James Noel Sullivan	(Managing Director)
Peter Ross Sullivan	(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 mining of gold.

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

OPERATING RESULTS

The net profit after income tax attributable to members of the Company for the financial year to 30 June 2016 amounted to $2,312,907 (2015: loss $9,422,852).

OVERVIEW OF OPERATING ACTIVITY

NiWest Nickel Laterite Project Update

Metallurgical test work on the development of the flow sheet for NiWest Nickel Laterite Heap Leach-SX-EW project is currently on hold. On completion of the Devon Gold Project the Company will be well funded and will undertake a review of all options to progress the development of NiWest.

Devon Gold Mine Update

Mining

Steady progress has been made during the year and as at 30 June approximately 75% of the total volume (450,000 bank cubic metres - inclusive of waste & ore) had been mined. Four batches of ore totalling 28,100 wet tonnes had been processed through Saracen's Carosue Dam processing facility.

Sale of gold ore from Batches 1 through 4 had been finalised and the average gold price achieved for batches 1 and 2 was AUD1,620.46 and for batches 3 and 4 was AUD1,721.36. Funds from these sales have been received and are included in the financial results reported for the year and reflect the positive influence that the Devon mining operation is having on the Company.

By the end of the year significant waste material had been removed from the western wall of the pit down to the main pit floor currently at 23.5 metres below surface (i.e. 374 mRL).

The Company announced subsequent to the end of the financial year that mining of the Devon pit was complete and that all ore should be processed by the end of the September Quarter.

Processing recoveries, determined from metallurgical testwork minus a processor's deduction, for ore batches have been extremely good ranging from 90.1 to 94.2%.

Standby Funding Agreement

The Company advised in March 2016 that it had entered into a short term Standby Funding Facility of $1,500,000 with Shareholder and ASX listed investment company Zeta Resources Limited. The Facility was put in place by the Board to ensure the Company had sufficient working capital to undertake the planned development of the Devon Gold Mine.

On the 27 June 2016, only two months after commencing operations, the Company confirmed that it had repaid the Standby Funding Facility in full, leaving it debt free and with sufficient working capital to fund the mining operation through to completion.

Review of Gold Assets

The Company commenced a review of the potential of its gold prospects outside of Devon, in particular within the Abednego, Laverton Downs Project and Hawks Nest areas. In addition to current project areas the Company will also be pursuing other opportunities within the North-eastern Goldfields of WA.

Subsequent to the end of the year, the Company entered into an agreement with Zeta Resources Ltd, the details of which can be found in the subsequent events note.

FINANCIAL POSITION

At the end of the financial year the consolidated entity had $1,529,217 (2015: $1,792,890) in cash and at call deposits.

Carried forward exploration and evaluation expenditure was $26,423,143 (2015: $24,819,524).

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

There were no significant changes in the state of affairs of the Group during the financial year, other than as set out elsewhere in this report.

SUBSEQUENT EVENTS

On 14 July 2016 GME announced that it had entered into a binding term sheet for the purpose of entering into a Joint Venture Agreement with Zeta Resources Ltd (Zeta, ASX:ZER) on Zeta's Murrin Murrin Project located within the highly prospective North-Eastern Goldfields of Western Australia. The binding Term Sheet was executed by Golden Cliffs NL (GCNL), a 100% owned subsidiary of GME, and Kumarina Resources Pty Ltd (KMR), a 100% owned subsidiary of Zeta.

The key terms include:-

1. GCNL will fund $1.5 million dollars in exploration and development costs to earn a 50% interest in the Murrin Murrin Project within 24 months of the date of the agreement.
2. GCNL can elect to withdraw from the Earn In at any time, provided it has spent at least $250,000 on exploration and development. On completion of the Earn In, both GCNL and KMR agree to enter into a 50:50 Joint Venture to further develop the project.
3. GCNL will be Manager of the Project and will manage the Joint Venture in accordance with the Joint Venture Committee directions.
4. On and from the Commencement of the Joint Venture the Parties will contribute to expenditure on the Project in proportion to their joint venture interest. A dilution formula applies if either party does not contribute.
5. Where a Party's interest dilutes to below 10%, that Party's interest will revert to a 2% Net Smelter Royalty.

On 23 August 2016 GME advised that the mining program at the Devon Gold Mine had been completed and contractors had commenced demobilising from the site. A further three batches of ore had been processed subsequent to the end of the year, with the seventh batch of high-grade ore processed at the Carosue Dam Processing Plant on 19 August 2016. Haulage of approximately 18,000 tonnes of low-grade stock piles is in progress and processing of this ore is expected to be completed in late September. The Company expects to complete all mine volume and financial reconciliations during September once all grade and metallurgical recoveries have been received.

Mine closure plans have been implemented and rehabilitation of the site will commence once the haulage of remaining ore stocks has been completed.

Other than the above, 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 Group's areas of interest outside the Devon Gold Project 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 Group will continue its mineral exploration activities 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 FAICD *(Chairman)*
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 has been Chairman of the Company since his appointment as a director in 1996.

Other current directorships of listed companies

Schaffer Corporation Limited since February 2005.

Former directorships of listed companies in last 3 years

VDM Group Ltd from July 2009 to August 2014.

James Noel Sullivan FAICD *(Managing Director)*
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 is of great benefit to the Company as it seeks to develop its assets for the benefit of its shareholders.

Other current directorships of listed companies

none

Former directorships of listed companies in last 3 years

none

Peter Ross Sullivan BE, MBA *(Non-executive Director)*
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.

Other current directorships of listed companies

Mr Sullivan has been a director of Resolute Mining Limited since June 2001, Pan Pacific Petroleum NL since September 2014, Zeta Resources Limited since June 2013 and Panoramic Resources Ltd since October 2015.

Former directorships of listed companies in last 3 years

none

Mr Mark Edward Pitts B.Bus FCA *(Company Secretary)*

Mr Pitts was appointed to the position of Company Secretary in February 2009. Mr Pitts is a Chartered Accountant with over 25 years' experience in statutory reporting and business administration. He has been directly involved with, and consulted to a number of public companies holding senior financial management positions. He is a partner in the corporate advisory firm Endeavour Corporate. Endeavour offers professional services focused on Company Secretarial support, commercial and financial advice and supervision of ASIC and ASX compliance requirements.

REMUNERATION REPORT (AUDITED)

The remuneration report is set out in the following manner:

- Policies used to determine the nature and amount of remuneration
- Key Management Personnel
- Service agreements
- Share based compensation
- Details of remuneration
- Key Management Personnel interests
- Other transactions with Key Management Personnel

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, Executive 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. The Company does not operate an employee share option plan.

Details of Key Management Personnel

Directors

Michael Delaney Perrott	Non-executive Chairman
James Noel Sullivan	Managing Director
Peter Ross Sullivan	Non-executive Director

Executives

Mark Edward Pitts	Company Secretary

Service Agreements

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

Share Based Compensation

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

Details of Remuneration for KMP

Details of the nature and amount of each element of the emoluments of the key management personnel of the companies in the Group are:

2016	Short Term Benefits Salary & Fees $	Post Employment Benefits Superannuation $	Long Term Benefits Options $	Total $	Performance Related %
Executive Directors					
James N Sullivan	160,000	-	-	160,000	-
Non-executive Directors					
Michael D Perrott	30,000	-	-	30,000	-
Peter R Sullivan	24,000	-	-	24,000	-
Executives					
Mr Mark Pitts	60,000	-	-	60,000	-
	274,000	**-**	**-**	**274,000**	**-**

2015	Short Term Benefits Salary & Fees $	Post Employment Benefits Superannuation $	Long Term Benefits Options $	Total $	Performance Related %
Executive Directors					
James N Sullivan [a]	160,000	-	-	160,000	-
Non-executive Directors					
Michael D Perrott	30,000	-	-	30,000	-
Peter R Sullivan	24,000	-	-	24,000	-
Executives					
Mr Mark Pitts	60,000	-	-	60,000	-
	274,000	**-**	**-**	**274,000**	**-**

(a) Includes $40,000 accrued upon meeting operational KPI's in respect to the trial mining operation.

KMP 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:

2016 Director	Ordinary Shares Opening Balance	Net Change	Ordinary Shares Closing Balance
Michael D Perrott	18,265,922	-	18,265,922
James N Sullivan	23,467,169	-	23,467,169
Peter R Sullivan	30,109,888	-	30,109,888
Mark E Pitts	-	-	-

2015 Director	Ordinary Shares Opening Balance	Net Change	Ordinary Shares Closing Balance
Michael D Perrott	18,265,922	-	18,265,922
James N Sullivan	23,529,698	(62,529)	23,467,169
Peter R Sullivan	30,109,888	-	30,109,888
Mark E Pitts	-	-	-

Other transactions with KMP

During the year, the consolidated entity paid $17,438 (2015:$17,326) for commercial rent of a property owned by the Leonora Property Syndicate, an entity in which Peter Sullivan and James Sullivan have an interest.

The balance owed to the Leonora Property Syndicate as at 30 June 2016 was nil (2015:$7,800).

During the year, $6,087 (2015:$2,431) was paid to Kumarina Resources Pty Ltd (an entity of which Peter Sullivan and James Sullivan are Directors) for exploration services, and nil (2015:$6,533) was received from Kumarina for shared administrative salaries.

In addition to the fees paid to Mark Pitts for Company Secretarial Services, the Company also paid $29,512 (2015:$12,610) to Endeavour Corporate, of which Mark Pitts is a partner, for Accounting and bookkeeping services.

The Company has an amount payable of $10,924 (2015:$6,483) to Endeavour Corporate as at 30 June 2016.

The Company has an amount payable of $24,000 (2015: $24,000) to Hardrock Capital Pty Ltd in relation to Directors' fees, a company of which Peter Sullivan is a director.

During the year, the consolidated entity paid $9,940 (2015:Nil) for commercial hire of a vehicle owned by Sullivan's Garage Pty Ltd, an entity in which James Sullivan has an interest.

Loans to Directors and Executives

There were no loans entered into with KMP during the financial year under review.

END OF REMUNERATION REPORT

MEETINGS OF DIRECTORS

During the year, 5 meetings of directors were held. Attendances were:

	Number Eligible to Attend	Number Attended
Michael D Perrott	5	5
James N Sullivan	5	5
Peter R Sullivan	5	5

OPTIONS

At the date of this report there were no options on issue.

There were no shares issued during the year or since the end of the year upon exercise of options.

AUDIT COMMITTEE

The Board reviews the performance of the external auditors on an annual basis and meets with them during the year to review findings and assist with Board recommendations.

The Board does not have a separate audit committee with a composition as suggested in the best practice recommendations. The full Board carries out the function of an audit committee.

The Board believes that the Company is not of a sufficient size to warrant a separate committee and that the full board is able to meet objectives of the best practice recommendations and discharge its duties in this area.

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 Group'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.

NON-AUDIT SERVICES

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 14 to the financial statements. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services do not compromise the auditor's independence as all non-audit services have been reviewed to ensure that they do not impact the impartiality and objectivity of the auditor and none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the Company with an Independence Declaration in relation to the audit of the financial report. This Independence Declaration is set out on the following page and forms part of this directors' report for the year ended 30 June 2016.

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

James Sullivan
Managing Director

Perth, Western Australia
22nd September 2016

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of GME Resources Limited for the year ended 30 June 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia	**N G Neill**
22 September 2016	**Partner**

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Liability limited by a scheme approved under Professional Standards Legislation

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2016

	Note	CONSOLIDATED 2016 $	2015 $
Revenue			
Sale of ore from gold mining operation		4,506,448	-
Sale of ore from trial gold mine operation		-	3,354,320
		4,506,448	3,354,320
Mining and processing costs		(2,342,741)	(1,801,576)
Recoupment of deferred exploration and evaluation costs	8	-	(1,342,749)
Royalty expense		(56,306)	-
Gross profit		2,107,401	209,995
Other income	2(a)	100,000	200,000
		2,207,401	409,995
Depreciation and amortisation expense	6/7	(8,766)	(8,799)
Impairment and write off of exploration and evaluation expenditure	8	-	(9,757,916)
Management and consulting fees		(67,500)	(125,000)
Administration expenses	2(b)	(366,914)	(253,296)
Results from operating activities		1,764,221	(9,735,016)
Financial income		9,581	22,419
Financial expense		(76,898)	-
Net financing (expense)/income		(67,317)	22,419
Profit/(loss) before income tax		1,696,904	(9,712,597)
Income tax benefit	3	616,003	289,745
Net profit/(loss) for the year		2,312,907	(9,422,852)
Other comprehensive income		-	-
Total comprehensive profit/(loss) for the year		2,312,907	(9,422,852)
		Cents	Cents
Basic profit/(loss) per share (cents per share)	16	0.50	(2.07)
Diluted profit/(loss) per share (cents per share)		0.50	(2.07)

The accompanying notes form part of this financial statement.

Consolidated Statement of Financial Position

As at 30 June 2016

	Note	CONSOLIDATED 2016 $	2015 $
CURRENT ASSETS			
Cash and cash equivalents	13(b)	1,529,217	1,792,890
Trade and other receivables	4	-	263,457
Inventories	5	529,132	-
Prepayments		4,750	31,706
TOTAL CURRENT ASSETS		2,063,099	2,088,053
NON-CURRENT ASSETS			
Trade and other receivables	4	17,189	17,175
Plant and equipment	6	1,996	1,282
Intangible assets	7	3,691	11,072
Deferred exploration and evaluation expenditure	8	26,423,143	24,819,524
Mine development asset	9	1,452,671	-
TOTAL NON-CURRENT ASSETS		27,898,690	24,849,053
TOTAL ASSETS		29,961,789	26,937,106
CURRENT LIABILITIES			
Trade and other payables	10	1,362,753	650,977
TOTAL CURRENT LIABILITIES		1,362,753	650,977
TOTAL LIABILITIES		1,362,753	650,977
NET ASSETS		28,599,036	26,286,129
EQUITY			
Issued capital	11	53,203,031	53,203,031
Option reserve		-	973,537
Accumulated losses		(24,603,995)	(27,890,439)
TOTAL EQUITY		28,599,036	26,286,129

The accompanying notes form part of this financial statement.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2016

CONSOLIDATED	Note	Issued Capital $	Option Reserve $	Accumulated Losses $	Total $
Balance at 30 June 2014		**52,557,101**	**973,537**	**(18,467,587)**	**35,063,051**
Profit for the year		-	-	(9,422,852)	(9,422,852)
Total comprehensive profit for the year		-	-	(9,422,852)	(9,422,852)
Transaction with owners					
in their capacity as owners					
Shares issued (net of costs)	11	645,930	-	-	645,930
Balance at 30 June 2015		**53,203,031**	**973,537**	**(27,890,439)**	**26,286,129**
Profit for the year		-	-	2,312,907	2,312,907
Total comprehensive profit for the year		-	-	2,312,907	2,312,907
Transaction with owners					
in their capacity as owners					
Option reserve transferred against					
Accumulated Losses	11	-	(973,537)	973,537	-
Balance at 30 June 2016		**53,203,031**	**-**	**(24,603,995)**	**28,599,036**

The accompanying notes form part of this financial statement.

Consolidated Statement of Cash Flows

For the year ended 30 June 2016

	Note	CONSOLIDATED 2016 $	2015 $
Cash flows from operating activities			
Proceeds from gold sales		4,957,092	-
Proceeds from trial mining operation		-	3,354,320
Payments for expenses of mining operation		(2,177,367)	-
Payments for cost of mine development		(1,452,671)	-
Payments for expenses of trial mining operation		-	(1,977,731)
Payments to suppliers and employees		(422,542)	(356,456)
Payments for exploration and evaluation		(1,814,758)	(1,907,461)
Interest received		9,567	22,275
Research and development tax offset		616,003	289,745
Other income – Proceeds from royalty and facilitation fee		100,000	200,000
Net cash outflow from operating activities	13(a)	(184,676)	(375,308)
Cash flows from investing activities			
Purchase of non-current assets		(2,099)	-
Bonds returned/(lodged)		-	(3,031)
Purchase of intangible assets		-	(18,453)
Net cash outflow from investing activities		(2,099)	(21,484)
Cash flows from financing activities			
Proceeds from borrowings		1,500,000	-
Repayment of borrowings		(1,500,000)	-
Costs of finance		(76,898)	-
Proceeds from issue of shares		-	687,821
Payment of costs associated with issue of shares		-	(41,891)
Net cash inflow/(outflow) from financing activities		(76,898)	645,930
Net increase/(decrease) in cash and cash equivalents		(263,673)	249,138
Cash and cash equivalents held at the start of the year		1,792,890	1,543,752
Cash and cash equivalents held at the end of the year	13(b)	1,529,217	1,792,890

The accompanying notes form part of this financial statement.

Notes to the Financial Statements

For the year ended 30 June 2016

1. STATEMENT OF ACCOUNTING POLICIES

GME Resources Limited (the "Company") is a listed public Company, incorporated and domiciled in Australia. The consolidated financial statements of the Company for the financial year ended 30 June 2016 comprise the Company and its subsidiaries (together referred to as the "Consolidated Entity" or "Group").

(a) Basis of preparation

The financial statements are general-purpose financial statements, which have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and Interpretations and comply with other requirements of the law. The financial statements have also been prepared on a historical cost basis.

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated.

The financial statements are presented in Australian dollars.

The Company is a listed public Company, incorporated in Australia and operating in Australia. The Group's principal activities are mineral exploration and mining of gold.

(b) Adoption of new and revised standards

In the year ended 30 June 2016, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group's operations and effective for the current annual reporting period.

It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group's business and, therefore, no change is necessary to Group accounting policies.

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2016. 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 the Group's business and, therefore, no changes are necessary to Group accounting policies.

(c) Critical accounting judgements and key estimates

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

Exploration and evaluation costs

The recoverability of the carrying amount of exploration and evaluation costs carried forward has been reviewed by the Directors. In conducting the review, the recoverable amount of the Group's deferred exploration and evaluation expenditure of $25,188,279 relating to the NiWest nickel laterite project has been assessed by reference to the higher of "fair value less costs to sell" and "value in use".

In determining value in use, future cash flows are based on:

- Estimates of ore reserves and mineral resources for which there is a high degree of confidence of economic extraction.
- Estimated production and sales levels.
- Estimated future commodity prices.
- Future costs of production.
- Future capital expenditure.
- Future exchange rates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

A scoping study completed in December 2013 (ASX 11 December 2013) concluded that a heap leaching operation combined with a processing plant utilising Direct Solvent Extraction to upgrade purified nickel solutions from the heap leach to produce LME nickel cathode via electrowinning is technologically and potentially economically sound.

The cashflow model used to support the assessment was calculated over a period of 20 years, being the estimated life of the mine.

In reviewing the model for this financial year the Board assessed a number of key sensitivities including commodity price, USD/AUD exchange rate and risk rate of return. The model assumes a future nickel price of US$10/lb and a long term AUD/USD exchange rate of $0.70. In addition and in order to reasonably account for the volatility being seen in commodity prices and in capital markets a discount rate of 25% has been applied. Using these assumptions the project remains robust.

Variations to expected future cash flows, and timing thereof, could result in significant changes to the impairment test results, which in turn could impact future financial results.

Units of production method of amortisation

The Company amortises mine properties in production on a units of production basis over economically recoverable reserves and resources. These calculations require the use of estimates and assumptions. Significant judgment is required in assessing the available reserves and resources under this method. Factors that must be considered in determining the reserves and resources are the complexity of metallurgy, product prices, costs structures and future developments. When these factors change or become known in the future, such differences will impact amortisation expense and carrying value of mine property assets.

The accounting policies and methods of computation adopted in the preparation of the financial statements are consistent with those adopted and disclosed in the Company's financial statements for the financial year ended 30 June 2015.

(d) Going concern

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

As disclosed in the financial statements, the Group recorded an operating profit of $2,312,907, and a cash outflow from operating activities of $184,676 for the year ended 30 June 2016 and at balance date, had net current assets of $700,346.

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

(e) Statement of compliance

The financial statements were authorised for issue on 22nd September 2016.

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

(f) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement in with the investee; and
- has the ability to its power to affect its returns.

The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements listed above.

When the Company has less than a majority of the voting rights if an investee, it has the power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights are sufficient to give it power, including;

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties; rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholder meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss or other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members are eliminated in full on consolidation.

Changes in the Group's ownership interest in existing subsidiaries

Changes in the Group's ownership interest in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in subsidiaries. Any difference between the amount paid by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between:

- The aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- The previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit and loss or transferred to another category of equity as specified/permitted by the applicable AASBs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

(g) 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.

Royalty income

Revenue from royalties is measured at the fair value of the consideration received and receivable. Revenue is recognised when the significant risk and rewards of ownership have been transferred, recovery of the consideration is probable and the amount of revenue can be measured reliably.

Facilitation fee

Revenue from facilitation fees is measured at the fair value of the consideration received and receivable. Revenue is recognised when the significant risk and rewards of ownership have been transferred, recovery of the consideration is probable and the amount of revenue can be measured reliably.

Ore sales

Ore sales revenue is recognised when control of the gold passes at the delivery point. Proceeds received in advance of control passing are recognised as unearned revenue.

(h) 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.

(i) Cash and cash equivalents

Cash and short-term deposits in the Consolidated Statement of Financial Position comprise cash at bank and on 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 Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(j) Trade and other 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.

(k) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventory on hand by the method most appropriate to each particular class of inventory, with the majority being valued on a first in first our basis.

Net realisable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale.

(l) 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 date.

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

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 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 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 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.

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.

(m) 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 Consolidated Statement of Financial Position 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 Consolidated Statement of Financial Position.

(n) Plant and equipment including mine development asset

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 – 4 to 5 years.

Mine development costs – units of production

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 Consolidated Statement of Profit or Loss and other Comprehensive Income.

(ii) Derecognition and disposal

An item of 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.

(n) Plant and equipment including mine development asset

Mine development costs

Capitalised mine development costs include expenditure incurred to develop new orebodies, to define further mineralisation in existing orebodies and, to expand the capacity of a mine. These costs are amortised from the date on which commercial production begins.

Depreciation, depletion and amortisation of mine development costs are computed by the units-of-production method based on estimated quantities of economically recoverable reserves which can be recovered in the future from known mineral deposits.

Stripping costs incurred during the production phase to remove additional waste are charged to operating costs on the basis of the average life of mine stripping ratio and the average life of mine costs per tonne. The average stripping ratio is calculated as the number of tonnes of waste material expected to be removed during the life of mine per tonne of ore mined. The average life of mine cost per tonne is calculated as the total expected costs to be incurred to mine the orebody, divided by the number of tonnes expected to be mined. The average life of mine stripping ratio and the average life of mine cost per tonne are recalculated annually in the light of additional knowledge and changes in estimates.

(o) 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.

(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 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.

(p) Deferred 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 Consolidated Statement profit or loss and other comprehensive Income.

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

- the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or
- activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise 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(q)).

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 to mine development assets.

Revenue from trial mining operations which are considered necessary to provide the basis for any development activity, is offset against any deferred exploration and evaluation expenditure in respect of that operation.

(q) Impairment of tangible and intangible assets other than goodwill

The Group assesses at each balance 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 balance 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 estimate used to determine the assets 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 previous 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 reversal the depreciation charge is adjusted in future periods to allocate the assets revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(r) Impairment of financial assets

The Group assesses at each balance date whether a financial asset or group of financial assets is impaired.

Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account. The amount of the loss is recognised in profit or loss.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a Group of financial assets with similar credit risk characteristics and that Group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in profit or loss, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

Financial assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value (because its fair value cannot be reliably measured), or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial asset. Such impairment loss shall not be reversed in subsequent periods.

(s) 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. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

(t) 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.

(u) 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.

(v) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of GME Resources Limited.

(w) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease payments are recognised as an expense on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(x) Parent entity financial information

The financial information for the parent entity, disclosed in Note 22 has been prepared on the same basis as the consolidated financial statements.

Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the parent entity's financial statements. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

	CONSOLIDATED	
	2016	2015
	$	$
2. OTHER INCOME AND EXPENSES		
(a) Other income:		
Facilitation fee for prospecting rights	100,000	100,000
Royalty Income	-	100,000
Total revenue	100,000	200,000
(b) Administration costs:		
Audit and taxation compliance fees	58,641	44,026
Corporate compliance costs	42,993	40,930
Insurance	24,939	23,369
Office costs	117,352	58,422
Research & development claim preparation	92,373	43,462
Other	30,616	43,087
	366,914	253,296
3. INCOME TAX		
(a) Income tax recognised in profit and loss		
The major components of tax benefit are:		
Adjustments recognised in the current year in relation to the current tax – R&D tax offset	616,003	289,745
Total tax benefit	616,003	289,745

The prima facie income tax expense on pre-tax accounting result from operations reconciles to the income tax provided in the financial statements as follows:

	CONSOLIDATED 2016 $	2015 $
Accounting profit/(loss) before tax from continuing operations	1,696,904	(9,712,597)
Income tax expense/(benefit) calculated at 30%	509,071	(2,913,779)
Non-deductible expenses	27,724	92
R&D tax incentive	616,003	289,745
Tax losses and deferred tax balances (recognised) /not recognised	(536,795)	2,913,687
Income tax benefit reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.	616,003	289,745

(b) Unrecognised deferred tax balances

	2016 $	2015 $
Deferred tax assets comprise:		
Tax losses carried forward	11,706,870	11,724,543
Other deferred tax balances	22,252	41,205
	11,729,122	11,765,748
Deferred tax liabilities comprise:		
Exploration expenditure capitalised	7,926,943	7,445,857
Mine development asset	435,801	-
Other deferred tax balances	-	8,807
	8,362,744	7,454,664
Income tax benefit not recognised directly in equity during the year:		
Capital raising costs	-	12,567

Potential deferred tax assets attributable to tax losses and capital losses carried forward have not been brought to account because the 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. TRADE AND OTHER RECEIVABLES

	2016 $	2015 $
Current		
GST Refundable	-	262,896
Other	-	561
	-	263,457
Non-current		
Bonds	17,189	17,175

5. INVENTORIES

	2016 $	2015 $
Ore stockpiles	529,132	-

	CONSOLIDATED 2016 $	2015 $

6. PLANT AND EQUIPMENT (NON-CURRENT)

	2016 $	2015 $
Plant and equipment - at cost	742,765	740,666
Less accumulated depreciation	(740,769)	(739,384)
Total plant and equipment	1,996	1,282

Reconciliation of the carrying amount of plant and equipment:

	2016 $	2015 $
Carrying amount at the beginning of the year	1,282	2,700
Additions	2,099	-
Depreciation	(1,385)	(1,418)
Carrying amount at the end of the year	1,996	1,282

7. INTANGIBLE ASSETS (NON-CURRENT)

	2016 $	2015 $
Software – at cost	18,453	18,453
Less accumulated amortisation	(14,762)	(7,381)
	3,691	11,072

	2016 $	2015 $
Reconciliation of the carrying amount of intangible assets		
Carrying amount at the beginning of the year	11,072	-
Purchase of intangible asset	-	18,453
Depreciation	(7,381)	(7,381)
Carrying amount at the end of the year	3,691	11,072

8. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE (NON-CURRENT)

Exploration and evaluation phase - at cost

	2016 $	2015 $
Movements:		
Balance at beginning of the year	24,819,524	33,594,943
Direct expenditure	1,603,619	2,325,246
	26,423,143	35,920,189
Recoupment of exploration and evaluation costs capitalised to-date from trial mining operations	-	(1,342,749)
Less exploration and evaluation expenditure written off	-	(572,316)
Less impairment of exploration and evaluation expenditure	-	(9,185,600)
	26,423,143	24,819,524

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

	CONSOLIDATED	
	2016	2015
	$	$

9. MINE DEVELOPMENT ASSET

Balance at the beginning of the year	-	-
Additions	1,452,671	-
Balance at the end of the year	1,452,671	-

Represented by costs incurred in planning, environmental studies, and mining and haulage of overburden and waste material, amortised over the expected life of the mine on a units of production basis. See note 1(n)

10. PAYABLES (CURRENT)

Trade payables and accruals	1,196,034	650,977
GST Payable	166,719	-
	1,362,753	650,977

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 2016.

11. ISSUED CAPITAL AND RESERVES

461,596,374 (2015: 461,596,374) ordinary shares, fully paid	53,203,031	53,203,031
Ordinary shares		
Balance at the beginning of the year	53,203,031	52,557,101
Entitlement issue – shortfall placement	-	687,821
Costs associated with entitlement issue	-	(41,891)
Balance at the end of the year	53,203,031	53,203,031

	2016 No of Shares	2015 No of Shares
Balance at the beginning of the year	461,596,374	436,121,505
Entitlement issue - shortfall	-	25,474,869
Balance at the end of the year	461,596,374	461,596,374

In June 2014, 51,457,641 ordinary shares were issued under a non-renounceable rights issue at 2.7c per share. The shortfall of 25,474,869 shares was placed on 22 September 2014.

Reserves

The option reserve was used to record the fair value of options issued. As those options previously on issue have previously lapsed in accordance with their terms and as there have been no further issues of options during the year. The Company has elected to write back the option reserve account against Accumulated Losses at 30 June 2016.

12. CONTROLLED ENTITIES

Name of Controlled Entity (Country of Incorporation)	Percentage Owned 2016 %	Percentage Owned 2015 %	Company's Cost of Investment 2016 $	Company's Cost of Investment 2015 $
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

	CONSOLIDATED 2016 $	CONSOLIDATED 2015 $
13. CONSOLIDATED STATEMENT OF CASH FLOWS		
a) Reconciliation of cash flows from operating activities		
Profit/(loss) from ordinary activities after tax	2,312,907	(9,422,852)
Depreciation / amortisation	8,767	8,799
Exploration costs impaired/written off	-	9,757,916
Exploration costs capitalised (excluding creditors)	(1,814,758)	(1,921,208)
Mine development costs capitalised	(1,452,671)	-
Exploration costs recouped against proceeds from sale of Gold	-	1,342,749
Decrease/(increase) in receivables and prepayments	280,131	(151,522)
Increase/(decrease) in sundry creditors	1,010,080	10,810
(increase)/decrease in inventories	(529,132)	-
Net cash outflows from operating activities	(184,676)	(375,308)
b) Reconciliation of cash and cash equivalents		
Cash balance comprises:		
Cash at bank	848,717	85,956
Deposits at call	680,500	1,706,934
	1,529,217	1,792,890

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Short term deposits are made for varying periods between 3 to 6 months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

14. AUDITOR'S REMUNERATION

Amounts received or due and receivable by the auditors of GME Resources Ltd for:

	2016 $	2015 $
- an audit or review of the financial statements of the Company and any other entity in the Group	26,750	26,425
- other services in relation to the Company and any other entity in the Group (tax compliance services)	7,000	6,250
	33,750	32,675

15. SEGMENT REPORTING

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

	CONSOLIDATED	
	2016	2015
	$	$
16. PROFIT/(LOSS) PER SHARE		
Basic and diluted Profit/(loss) per share (cents)	0.50	(2.07)
Profit/(loss) used in calculation of basic and diluted earnings per share	2,312,907	(9,422,852)
Weighted average number of ordinary shares outstanding during the year used in calculation of basic and diluted earnings per share	461,596,374	455,733,664

The Company does not have any options on issue.

17. DIRECTORS' AND EXECUTIVES' DISCLOSURES

a) Details of Key Management Personnel

Directors

Michael Delaney Perrott	Non-executive Chairman
James Noel Sullivan	Managing Director
Peter Ross Sullivan	Non-executive Director

Executives

Mark Edward Pitts	Company Secretary

b) Key Management Personnel Compensation

	2016	2015
Short-term employee benefits	274,000	274,000
Post-employment benefits	-	-
Long-term employee benefits	-	-
	274,000	274,000

c) Other transactions and balances with Key Management Personnel

There were no other transactions with key management personnel during this financial year other than those included at Note 21.

18. FINANCIAL INSTRUMENT DISCLOSURES

Financial risk management objectives

The Group is exposed to market risk (including interest rate), credit risk and liquidity risk.

The Group does not issue derivative financial instruments, nor does it believe that it has exposure to such trading or speculative holdings through its investments in associates.

Risk management is carried out by the Board as a whole, which provides the principles for overall risk management, as well as policies covering specific areas such as foreign exchange risk, interest rate risk, and liquidity risk. The Group uses different methods to measure different types of risk to which it is exposed. Where appropriate these methods will include sensitivity analysis in the case of interest rate, and other price risks and aging analysis for credit risk.

a) Categories of financial instruments

2016 Financial Assets	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 $
Cash assets	1.4%	848,717	680,500	-	-	1,529,217
Receivables	-	-	-	-	-	
		848,717	680,500	-	-	1,529,217
Payables	n/a	-	-	-	1,362,753	1,362,753
		-	-	-	1,362,753	1,362,753

2015 Financial Assets	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 $
Cash assets	2.1%	85,956	1,724,109	-	-	1,810,065
Receivables	n/a	-	-	-	263,457	263,457
		85,956	1,724,109	-	263,457	2,073,522
Payables	n/a	-	-	-	650,977	650,977
		-	-	-	650,977	650,977

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 and all other variables were held constant, the Group's net profit before tax and equity would reduce by $3,380 and increase by $3,380, respectively (2015:$6,600). A reduction in the interest rate would have an equal but opposite effect.

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.

d) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is not significantly exposed to credit risk from its operating activities, however, the Board does monitor receivables as and when they arise. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial asset mentioned above. The Group does not hold collateral as security.

No material exposure is considered to exist by virtue of the possible non-performance of the counterparties to financial instruments and cash deposits.

e) 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.

f) 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 Consolidated Statement of Financial Position 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 2016, 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 $1,477,880 (2015: $1,844,860) 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. The Company has established access agreements with the major claimant groups in the area. All of the mineral resources are located on granted mining leases. Once granted there is no opportunity for veto of project development under the Native Title act, however owners must adhere to the provisions of the Aboriginal Heritage Act 1972 which regulates how to deal with specific heritage sites that may exist on the tenement.

	CONSOLIDATED	
	2016	2015
	$	$
c) Non-cancellable Operating Lease Commitments		
Within one year	44,766	36,000
One year or later and no later than five years	26,688	15,000
	71,454	51,000

20. INTERESTS IN BUSINESS UNDERTAKINGS – FARM-INS

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.

	2016 $	2015 $

21. RELATED PARTIES

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

	2016 $	2015 $
Non-current receivables		
Loans net of provisions for non- recovery	18,276,794	17,118,521
Current payables		
Loans	1,689,034	1,705,453

During the year, the consolidated entity paid $17,438 (2015:$17,326) for commercial rent of a property owned by the Leonora Property Syndicate, an entity in which Peter Sullivan and James Sullivan have an interest.

The balance owed to the Leonora Property Syndicate as at 30 June 2016 was Nil (2015:$7,800).

During the year, $6,087 (2015:$2,436) was paid to Kumarina Resources Pty Ltd (an entity of which Peter Sullivan and James Sullivan are Directors) for exploration services, and Nil (2015:$5,824) was received from Kumarina for shared administrative salaries.

In addition to the fees paid to Mark Pitts for Company Secretarial Services, the Company also paid $29,512 (2015:$12,610) to Endeavour Corporate, of which Mark Pitts is a partner, for Accounting and bookkeeping services.

The Company has an amount payable of $10,924 (2015:$6,873) to Endeavour Corporate as at 30 June 2016.

The Company has an amount payable of $26,400 (2015: $24,000) to Hardrock Capital Pty Ltd in relation to Directors' fees, a company of which Peter Sullivan is a director.

During the year, the consolidated entity paid $9,940 (2015:Nil) for commercial hire of a vehicle owned by Sullivan's Garage Pty Ltd, an entity in which James Sullivan has an interest.

22. PARENT ENTITY DISCLOSURE

As at, and throughout the financial year ended 30 June 2016 the parent Company of the Group was GME Resources Limited.

	2016 $	2015 $
Results of the parent entity		
Profit/(loss) after tax for the year	2,212,907	(7,158,739)
Other comprehensive income	-	-
Total comprehensive result for the year	2,212,907	(7,158,739)
Financial position of the parent entity at year end		
Current assets	1,896,380	2,088,053
Total assets	32,979,777	30,238,232
Current liabilities	2,885,069	2,356,431
Total liabilities	2,885,069	2,356,431
Total equity of the parent entity comprising of:		
Share capital	53,203,031	53,203,031
Option reserve	973,537	973,537
Accumulated losses	(24,081,860)	(26,294,767)
Total equity	30,094,708	27,881,801

23. SUBSEQUENT EVENTS

On 14 July 2016 GME announced that it had entered into a binding term sheet for the purpose of entering into a Joint Venture Agreement with Zeta Resources Ltd (Zeta, ASX:ZER) on Zeta's Murrin Murrin Project located within the highly prospective North-Eastern Goldfields of Western Australia. The binding Term Sheet was executed by Golden Cliffs NL (GCNL) a 100% owned subsidiary of GME and Kumarina Resources Pty Ltd (KMR) a 100% own subsidiary of Zeta.

The key terms include:-

1. GCNL will fund $1.5 million dollars in exploration and development costs to earn a 50% interest in the Murrin Murrin Project within 24 months of date of agreement.
2. GCNL can elect to withdraw from the Earn In at any time, provided it has spent at least $250,000 on exploration and development.
3. On completion of the Earn In, both GCNL and KMR agree to enter into a 50:50 Joint Venture to further develop the project.
4. GCNL will be Manager of the Project and will manage the Joint Venture in accordance with the Joint Venture Committee directions.
5. On and from the Commencement of the Joint Venture the Parties will contribute to expenditure on the Project in proportion to their joint venture interest. A dilution formula applies if either party does not contribute.
6. Where a Party's Interest dilutes to below 10%, that Party's interest will revert to a 2% Net Smelter Royalty.

On 23 August 2016 GME advised that the mining program at the Devon Gold Mine had been completed and contractors had commenced demobilising from the site. A further three batches of ore had been processed subsequent to the end of the year, with the seventh batch of high-grade ore processed at Carosue Dam Processing Plant on 19th August 2016. Haulage of approximately 18,000 tonnes of low-grade stock piles is in progress and processing of this ore is expected to be completed in late September. The Company expects to complete all mine volume and financial reconciliations during September once all grade and metallurgical recoveries have been received.

Mine closure plans have been implemented and rehabilitation of the site will commence once the haulage of remaining ore stocks has been completed.

Other than the above, 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 of GME Resources Limited (the "Company"):

a. The financial statements, notes, and the additional disclosures are in accordance with the Corporations Act 2001 including:
   i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2016 and of its performance for the year then ended; and
   ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) 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.

c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2016.

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

James Sullivan
Managing Director

Perth, Western Australia
22nd September 2016

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REPORT

To the members of GME Resources Limited

Report on the Financial Report

We have audited the accompanying financial report of GME Resources Limited ("the company"), which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Group comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

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

In Note 1(e), the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, the consolidated financial statements comply 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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 control relevant to the Group's preparation of the financial report that gives a true and fair view 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 company's and its controlled entities' internal control. 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.

Independence

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

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
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HLB Mann Judd

Auditor's opinion

In our opinion:

(a) the financial report of GME Resources Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2016 and its performance for the year ended on that date; and

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

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

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2016. 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 Limited for the year ended 30 June 2016 complies with section 300A of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

N G Neill
Partner

Perth, Western Australia
22 September 2016

Additional Information For Listed Public Companies

The following additional information, applicable at 7 October 2016 is required by the Australian Securities Exchange Ltd in respect of listed public companies only.

Shareholding

a. Distribution of Shareholders	Number of Holders
1 – 1,000	88
1,001 – 5,000	280
5,001 – 10,000	138
10,001 – 100,000	489
100,001 – and over	239
TOTAL	1,234

b. The number of shareholders holding less than a marketable parcel is 623.

c. The names of the substantial shareholders listed in the holding Company's register as at 7 October 2016 are:

Shareholder	Number	
ICM LIMITED	194,156,009	42.06
MANDALUP INVESTMENTS PTY LTD	39,601,476	8.58
PETER ROSS SULLIVAN	30,109,888	6.02
JAMES NOEL SULLIVAN	23,467,169	5.08

d. Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares

— Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

e. 20 Largest Shareholders — Ordinary Shares

	Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1	ICM LIMITED	153,949,618	33.35
2	MANDALUP INVESTMENTS PTY LTD <MANDALUP DISCRETIONARY A/C>	29,421,416	6.37
3	PANORAMIC RESOURCES LIMITED	18,518,519	4.01
4	DUNCRAIG INVESTMENTS SERVICES PTY LTD <PMS SUPER - PERROTT A/C>	18,265,922	3.96
5	J P MORGAN NOMINEES AUSTRALIA LIMITED	14,854,796	3.22
6	HARDROCK CAPITAL PTY LTD	13,673,556	2.96
7	AUSTRALIAN EXECUTOR TRUSTEES LIMITED <NO 1 ACCOUNT>	11,273,540	2.44
8	MR PETER ROSS SULLIVAN	10,832,520	2.35
9	TWO TOPS PTY LTD	10,500,000	2.27
10	MANDALUP INVESTMENTS PTY LTD <MANDALUP SUPER FUND A/C>	10,180,060	2.21
11	MMP (WA) PTY LTD <GEOMETT S/F A/C>	7,036,532	1.52
12	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	5,926,718	1.28
13	PROTAX NOMINEES PTY LTD <RICHARDS SUPER FUND A/C>	5,374,132	1.16
14	MD NICHOLAEFF PTY LTD <M & N SUPER FUND A/C>	5,160,931	1.12
15	HARDROCK CAPITAL PTY LTD <CGLW (NO2) SUPER FUND A/C>	4,311,332	0.93
16	ZETA RESOURCES LIMITED	4,288,174	0.93
17	SULLIVANS GARAGE PTY LTD	4,267,311	0.92
18	JAMES NOEL SULLIVAN	3,778,841	0.82
19	MR DOUGLAS STUART BUTCHER	3,603,121	0.78
20	TUNZA HOLDINGS PTY LTD	3,403,072	0.74
		338,620,111	73.34

Stock Exchange Listing

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Securities Exchange Limited. The ASX code is GME.

DEVON GOLD MINE 2016

GME
RESOURCES LIMITED

www.gmeresources.com.au