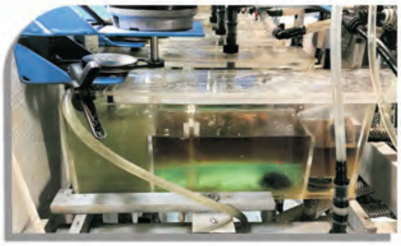

GME RESOURCES LIMITED

2017

Annual Report

Corporate Directory

GME Resources Ltd
ABN 62 009 260 315

Directors

Peter Ross SULLIVAN BE, MBA, ***Chairman***
James Noel SULLIVAN FAICD, ***Managing Director***
Peter Ernest HUSTON B. Juris,
LLB (Hons), B.Com, LLM ***Director***

Company Secretary

Mark Pitts B.Bus FCA

Registered Office and Principal Place of Business

Unit 5, 78 Marine Terrace
Fremantle WA 6160
Telephone: (08) 9336 3388
Facsimile: (08) 9315 5475
Web Site: **www.gmeresources.com.au**

Auditors

HLB Mann Judd
Chartered Accountants
Level 4, 130 Stirling Street
Perth WA 6000

Share Registry

Computershare Registry Services Pty Ltd
Level 11
172 St George's Terrace
Perth WA 6000
GPO Box D182
Perth WA 6840
Telephone: (08) 9323 2000
Facsimile: (08) 9323 2033

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

On behalf of the Board of Directors of GME Resources Limited, I am pleased to present to you our Annual Report for the 2017 financial year.

The period was seminal for GME as the Company builds a strong technical foundation underpinning the potential future development of the NiWest Nickel-Cobalt Project in Western Australia. This strategy was supported by the completion of mining at the highly profitable Devon Gold Mine early in the period.

At NiWest, GME is pursuing a project with strong development potential to produce high quality nickel and cobalt products that attract a premium in the lithium-ion battery market.

There is now widespread acceptance of the dynamics behind the explosive growth forecasts for lithium ion battery demand in the decade ahead. There seems little doubt the world is on the verge of a profound structural change in the way energy is produced and stored, particularly in the vehicle market, and this has very positive implications for demand of both nickel and cobalt.

At the same time, there are supply chain pressures facing both metals. For cobalt, the greater focus on ethical sourcing of the metal is placing greater scrutiny on major sources of supply from countries like the Democratic Republic of Congo. For nickel, there is limited capacity for the sector to respond to a material upward shift in demand from traditional swing supply like lower grade ferronickel or nickel pig iron.

These supply and demand pressures will create a significant opportunity for new nickel and cobalt producers of battery grade products.

The NiWest Project has the benefit of scale with a new JORC (2012) Resource calculated in February 2017, which has outlined an 81 million tonne resource containing estimated 830,000t nickel and 52,000t cobalt. The estimate makes NiWest one of the largest undeveloped nickel-cobalt resources in Australia and is located close to rail, gas arterial roads and established mining towns.

Extensive testwork conducted by GME has demonstrated the resource is amenable to heap leach extraction using existing, proven methods. The resumption of metallurgical testwork on the NiWest Project in the second half of the 2017 financial year focussed on the development of the backend of the process flowsheet to transition the leach solution into a premium, nickel sulphate product.

Pilot scale testwork conducted during the period has been highly successful in demonstrating the ability to move through the key metallurgical phases of solution neutralisation and solvent extraction and recently produced a range of high purity nickel products suitable for use in the manufacturing of battery cathodes. These products included nickel sulphate in crystal form, nickel carbonate powders, nickel chloride and nickel cathode. Work the precipitation of Cobalt products currently in progress and expected to be completed by the December quarter.

This rigorous metallurgical testwork program will form a key pillar of the Pre-Feasibility Study being conducted on the NiWest Project which is on track for completion in the March quarter 2018. GME is targeting a project with a low upfront capital expenditure relative to peer projects, with highly competitive operating costs based on simple mining and low cost processing.

Supporting this strategy, GME completed mining at the Devon gold project in August 2016 and the project produced a strong operating surplus of $5.94 million after accounting for development costs. This development leaves GME well-funded to complete the current program of work on the NiWest Project and has removed the need for a capital raising during the period.

During the 2017 financial year, GME made several changes to its Board of Directors. Mr Peter Huston has joined the Board of Directors as a Non-Executive Director following the retirement of Mr Michael Perrott as Chairman. Moving from my role as Non-Executive Director to Chairman, I would like to thank Mr Perrott for his strong contribution to GME during the more than 20 years he was involved with the company.

Peter Huston is a highly experienced lawyer and mining executive and I am delighted to welcome him to the GME Board and expect him to make a strong contribution to the company’s progress.

On behalf of the Board, I would like to thank our staff and consultants for their efforts during the 2017 financial year, as well as GME’s shareholders for their ongoing support.

Yours faithfully

Peter Sullivan
Chairman

Operations Report 2017

The first half of 2016/17, was centred on completing the open pit development at the Devon Gold mine where previous drilling and trial mining had defined a modest but high grade gold deposit. The mining program at Devon commenced in February 2016 and the open pit operation concluded in the September quarter.

The ore from the Devon was treated at Saracen Gold Mines Carosue Dam processing facility located 110km south of the project. The successful development generated a $5.94M million operating surplus (including development costs) and has allowed the Company to recommence the continuous pilot metallurgical test work on the flow sheet design for the Company's NiWest Nickel Cobalt Project.

Since recommencing the detailed metallurgical test work, the Company has made a number of de-risking break throughs that support critical aspects of the flow sheet. These break throughs and other positive results from the test work have increased confidence that the flow sheet can deliver high quality nickel and cobalt products.

The NiWest Nickel Cobalt Project is the Company's flagship project and is regarded as one of the largest and highest quality undeveloped nickel/cobalt resources in Australia. The project is at an advanced stage and is currently being evaluated through a Pre-Feasibility Study as a stand-alone development utilising Heap Leach (HL) technology, Direct Solvent Extraction (DSX) processing, combined with a refining facility capable of producing Nickel and Cobalt sulphates or carbonates suitable for direct supply to battery manufactures in the rapidly transforming global Lithium-ion battery sector.

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

Project Overview

GME through its 100% owned subsidiary NiWest Ltd, hosts one of the largest and most advanced undeveloped nickel and cobalt resources in Australia. The Project is located in the West Australian Nickel belt, adjacent to Glencore's Murrin Murrin Nickel Refinery (refer to figure 1 Project Location Plan). The region is recognised for its nickel/cobalt production and is well serviced with infrastructure such as public rail linked to ports, gas pipeline, arterial roads, optic fibre communications and long established mining towns.

The NiWest Nickel Cobalt hosts a Mineral Resource Estimate (JORC 2012) of 81 million tonnes averaging 1.03% nickel and 0.06% cobalt. The resources have been extensively drill tested with over 130,000 metres of drilling completed to date. In February 2017 the resource was updated to comply with JORC 2012 standards. More than 78% of the Mineral Resource Estimate reports to the Measured and Indicated categories and all resources are located on granting mining lease tenure.

The development options for the project have focused on metallurgical test programs aimed at establishing a Heap Leaching (HL) operation as an alternative to the more complex, capital intensive High Pressure Acid Leach (HPAL) plant. Results from extensive 4 metre columns and bulk leach testing supports the heap leach approach and indicate that +75% of target metals can be extracted into solution. Importantly, Glencore have also reported that to have successfully completed approximately one million tonne heap leaching on similar ore types at the Murrin Murrin Nickel operation.

Previous engineering studies completed by the Company have been centred on a HL/DSX combined with production of various intermediate nickel products such as a mixed sulphide concentrate, nickel hydroxide or Nickel cathode. However, the rapidly emerging battery market required for Electric Vehicles (EV) and the predicated increase in demand for high purity nickel and cobalt products in the form of sulphates and carbonates required in the cathode production of lithium-ion batteries has driven changes to the back end of the flow sheet design for the project.

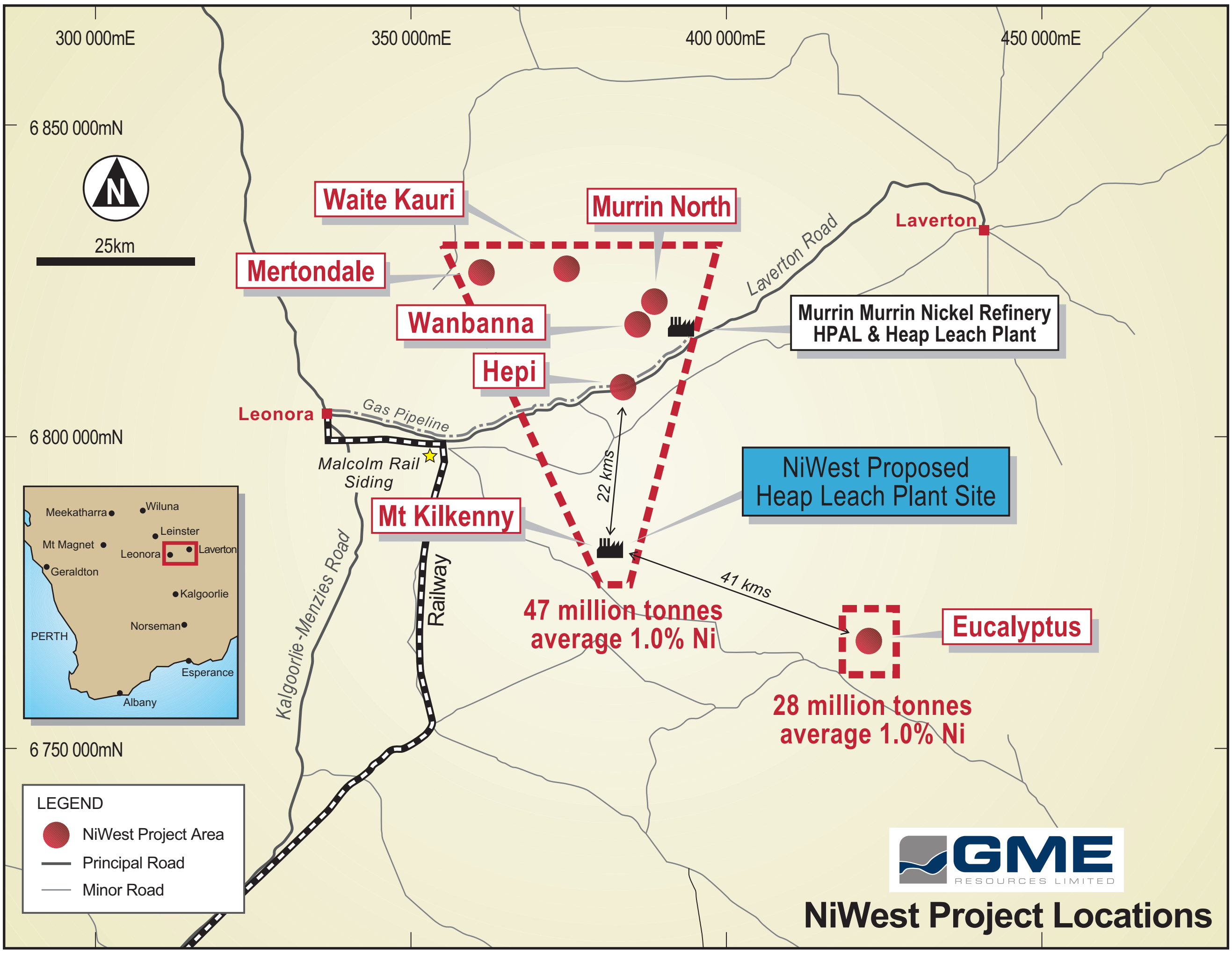


Figure 1. NiWest Nickel Cobalt Project Location Plan

METALLURGICAL TEST PROGRAM

Favourable metallurgical characteristics of the NiWest mineralisation has determined that nickel and cobalt metals can be readily extracted using straightforward low capital intensity Heap Leach technology.

Extensive four metre high column leach tests and two metre high two tonne bulk leach tests have consistently supported high percolation rates with target metals (Ni/Co) extractions rates averaging around 75% in the four metre high columns and above 80% in two metre bulk column test programs.

Since resuming the test program in September 2016 hydro-geology test work was undertaken by Hyrdo - GeoSense in the US. This test work was focused on establishing the geotechnical strength of the NiWest agglomerated ore to determine and optimal heap heights, maximum saturation points and liquor percolation rates. Results from this work indicate that the agglomerated heap leach ore can be stacked up to six metres in height. This is information is critical when designing the size and layout for the heap leach pads.

Following a review of the flow sheet options for the solutions coming from the heap leach, it was decided to modify the metallurgical test program from producing nickel cathode through Electro – Winning (EW) to include a larger range of nickel and cobalt products, including nickel /cobalt sulphates and carbonates that are suitable for the Lithium-ion battery market.

With the support of MWorx the Company's metallurgical consultants, GME undertook a program of batch testing on Pregnant Liquor Solution (PLS) produced from the bulk column leach test. The objective of this work was set the design parameters for first stage of the continuous pilot plant aimed at testing a process route for the economic removal of iron and aluminium and solution neutralisation.

In May 2017 the continuous pilot plant was commissioned and confirmed initial batch testing results from the first stage, that this process can be undertaken at ambient temperature and by utilising a single stage approach (Refer Figure 2).

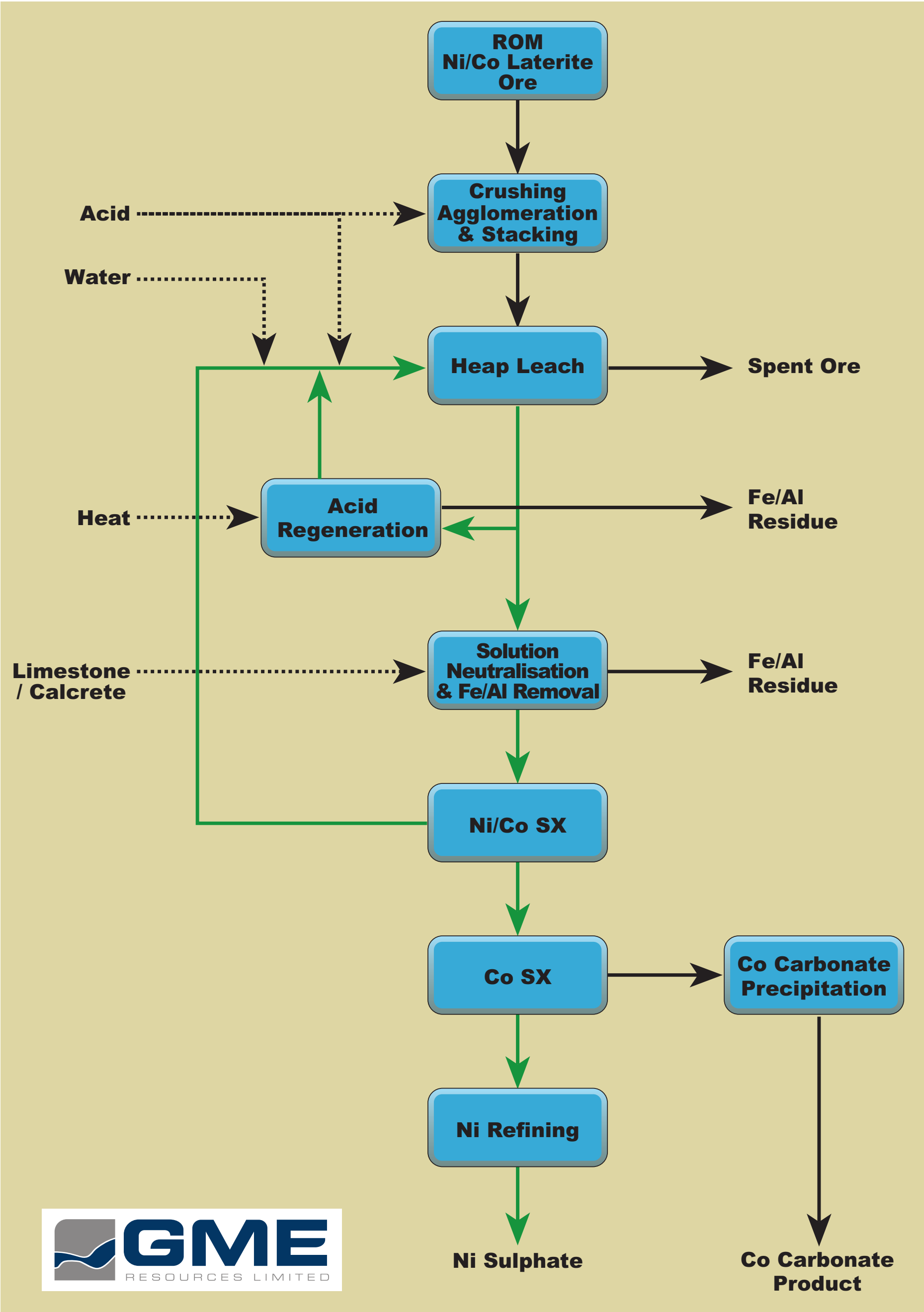


Figure 2: NiWest Project process flow sheet.

Figure 3: Pilot Plant – Solution Neutralisation Fe/Al removal tanks (bottom left) including thickener and filter press (bottom right)

In preparation for the, the Direct Solvent Extraction (DSX) continuous pilot operation, “shake-out” tests on a representative samples of the neutralised solution PLS were completed to ensure that solutions are both chemically and physically compatible with the proposed reagent system. The results for the batch testing proved very successful with rapid liquid and solid separation combined with a clear separation line.

The DSX stage of the flow sheet is based on similar industry technology and is used extensively in copper/nickel and other mineral processing plants. The aim of the DSX test work is to remove all remaining Fe/Al from the PLS to produce high purity nickel sulphate and cobalt electrolyte streams.

Following the successful continuous pilot plant operation for the DSX stage, mass balance, flow and assay data was collated to establish the success of the removal of the remaining non target metals from the PLS. The results are summarised in following table and show that target nickel and cobalt extraction of +95% was achieved. Targets for the Advanced Electrolyte upgrade factors of 14 to 16 times the PLS grade was also achieved with nickel purity of greater than 98%.

	Ni	Co
PLS (g/L)	2,500	64
Raffinate (g/L)	29	3
Recovery (%)	99	95
Electrolyte Upgrade Delta Ni (g/L)	35	n/a
Ni Upgrade	14	n/a
Ni Purity (%)	98.5	n/a

Figure 4: Results of solution neutralisation and Fe/Al removal batch test, showing excellent solid/liquid separation characteristics (Fe/Al brown precipitate in the lower portion, light green Ni/Co rich neutralised solution above)

Solvent extraction pilot plant results

The physical performance of the circuit was also monitored at regular intervals to establish whether the PLS and its impurities impacted the circuit performance. No phase separation issues were noted in the extraction or subsequent stages. No interfacial crud was generated or transferred through the circuit.

The outcome from the DXS was successful in producing high purity nickel electrolyte suitable to enter the final step of the flow sheet where the solution is passed through a centrifuge to produce pure nickel crystal sulphates.

This is clearly shown in the photo in figure 5 with nickel sulphate crystals readily forming in the electrolyte directly from the DSX processing.

The final stage of the test work focused on generating a range of Pure Nickel (Ni) Products from the electrolyte streams to prove both the technical effectiveness of the proposed process route. This work also included the production of a range of products to prove the flexibility of the process in generating pure Ni product to satisfy multiple potential customer specifications. In addition, a potentially marketable purified Cobalt product has been generated in the form of a Cobalt Sulphide.

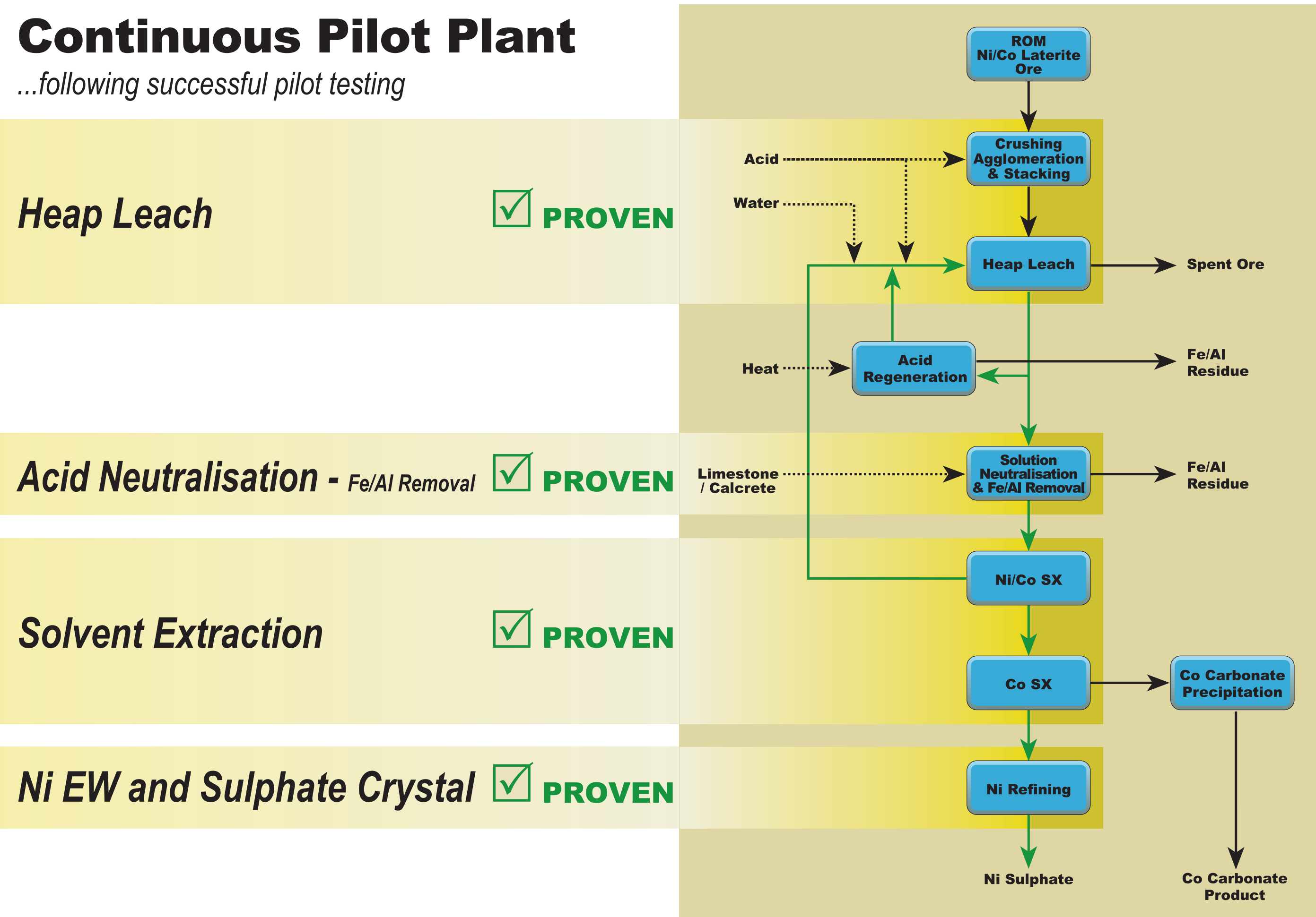
Figure 5: High purity Nickel Sulphate electrolyte generated from The DSX pilot plant

Further test work is being undertaken to both optimise the current Cobalt recovery flowsheet and to investigate production of additional Cobalt products suitable for end user requirements. This work is currently in progress and will continue over the next few months.

Based on the chemical data available and the excellent physical performance, the pilot plant operation for the proposed NiWest process flowsheet was highly successful. The proposed process DSX flowsheets can treat the NiWest neutralised PLS to generate a pure nickel electrolyte that can be tailored to the generation of multiple high purity nickel products, including nickel sulphate, nickel cathode (metal), nickel carbonate and nickel chloride.

Photo above: High purity (+99.98%) Nickel sulphate products produced from the continuous pilot plant.

Figure 6: GME has now successfully piloted and tested all key metallurgical process steps for nickel contained in the proposed process flowsheet for its NiWest Ni Laterite Project



PRE-FEASIBILITY STUDY

Having established the key engineering and design parameters for the heap leach, solution neutralisation and Fe/Al removal, DSX and high purity nickel product production through the continuous pilot plant investigations, the Company has now commenced work on a Pre-Feasibility Study (PFS) that will focus on providing capital and operating cost estimates based on the tested Flowsheet.

The PFS will focus on the Mt Kilkenny and Hepi project areas, with the proposed processing plant located at Mt Kilkenny. Mt Kilkenny represents the one of the largest most advanced nickel-cobalt resource within the NiWest Project. The Hepi project area, located approximately 20 kilometres to the north of Mt Kilkenny, possesses the highest grade resource inventory. Combined Mineral Resource Estimates at these two project areas total 27.6 million tonnes averaging 1.08% Ni and 0.07% Co, with over 78% of that tonnage in the measured category.

Both the Mt Kilkenny and Hepi project areas are considered to be at an advanced stage in terms of potential for accelerated development. This is due to the large-scale Measured Resource Estimates, extensive metallurgical test work and high level environmental surveys completed. This includes a 2.0GL water extraction permit at Mt Kilkenny which is sufficient to support at least a 1-1.5 million tonne per annum operation. The Hepi resource has been drilled to grade control level and also has a valid open pit mine approval.

The Mt Kilkenny and Hepi project areas represent little more than a third of the total NiWest resource base. This serves to highlight the embedded project and operational scalability that exists with such a large and long life nickel-cobalt resource inventory.

The PFS will investigate capital and operating costs for a heap leach operation and processing plant based on a production rate determined initially by the quantity of locally available acid and will also include provisional costings for an operation which incorporates a self-contained acid plant which would remove the limitation on production rates that otherwise is determined by locally available acid.

The study will also explore the option to install an SX circuit for the recovery of Scandium Oxide. Batch testing for the recovery of Scandium Oxide from the PLS has proved successful and further test work over is planned over the next six months to investigate the viability of this initiative.

Deliverables from the study are expected to be completed in the March 2018 quarter. On the basis of a successful completion of the NiWest Project PFS, GME would expect to move immediately into a Bankable Feasibility Study.

NIWEST MINERAL RESOURCE ESTIMATE

Review of Material Changes

The last reported resource statement for NiWest Nickel Cobalt Project was made on the 6 April November 2011 (ASX announcement).

During the period, GME completed an update of the NiWest resource to move from JORC (2004) to JORC (2012) compliance (refer ASX announcement 21 Feb 2017). The NiWest resource estimate is based drilling information and assay results from 4,196 bore holes for 131,800 metres of drilling.

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

Approximately 75% of the Mineral Resource Estimate reports to Measured and Indicated categories. The update, calculated at a cut-off grade of 0.8% nickel, resulted in an increase of 5.27 million tonnes of which the majority reports to the indicated category.

The resource spans across seven separate deposits with the Eucalyptus deposit accounting for 43% of the total resource and Mt Kilkenny for a further 30% (Refer Table 2). The highest grade deposit is at the Hepi project area which has a grade of 1.19% nickel (at a 0.8% nickel cut-off grade).

Typical mineralisation lays between surface and 50 metres depth as a sub-horizontal layer, 5-30 metre in thickness and 100-400 metre wide. The combination of low strip ratio open pit mining and predominately free digging oxidised saprolite and smectite mineralisation types provides for low future mining costs. The following cross sections (figures 7 and 8) at Hepi and Mt Kilkenny provide examples of the typical dimensions of the ore zones at the at Hepi and Mt Kilkenny projects.

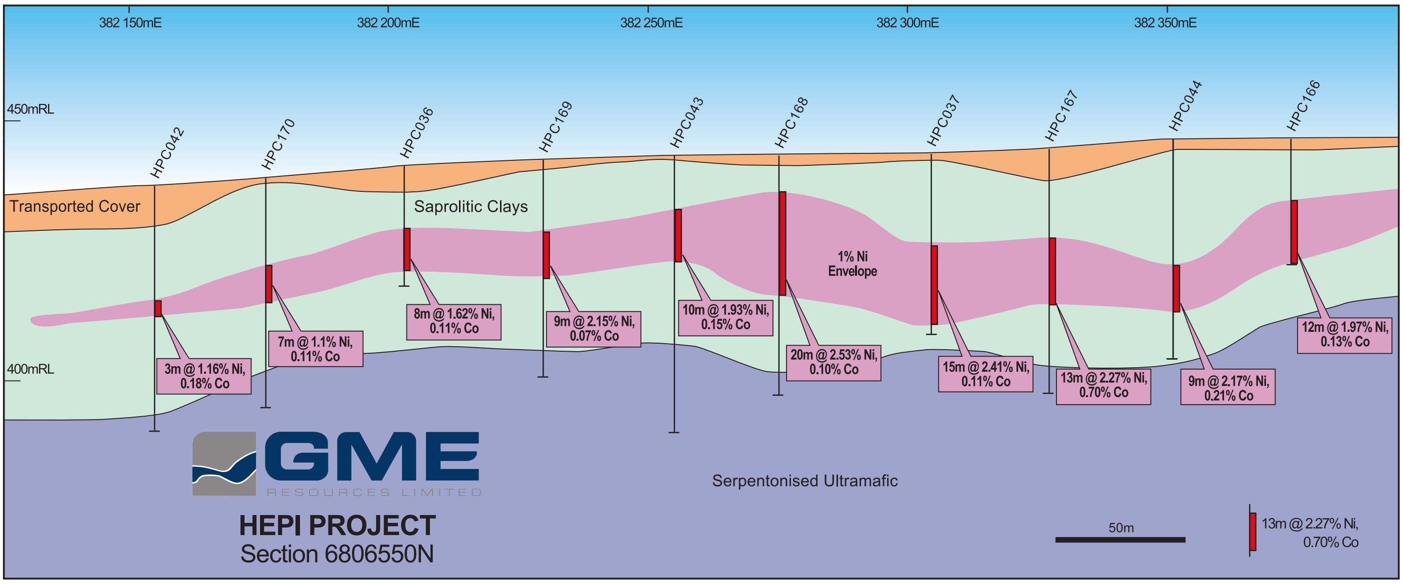


Figure 7: Typical High Grade Nickel / Cobalt ore zones at the Hepi Project

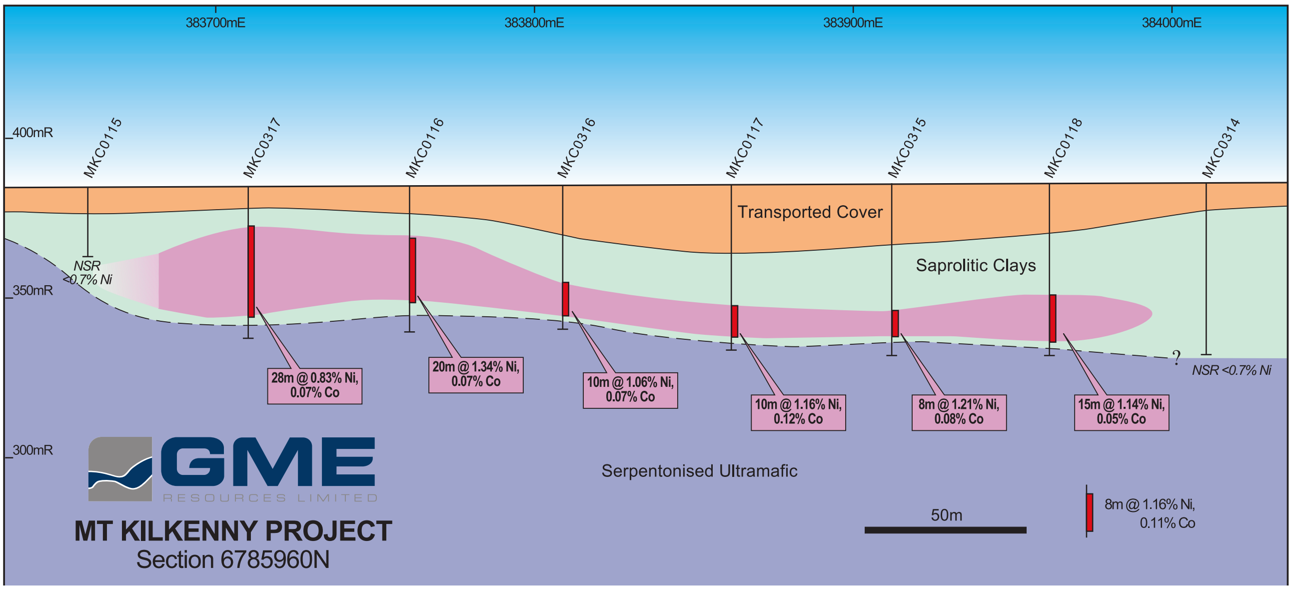


Figure 8: Typical Grades and ore zone dimensions at the Mt Kilkenny Project

Table 1: JORC 2012 Mineral Resource Estimate for NiWest Nickel Cobalt Project at 0.8% Ni Cut-off Grade

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

Table 2: JORC 2012 Mineral Resource Estimate by project area at 0.8% Ni Cut-off Grade

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

Table 3: JORC 2012 Mineral Resource Estimate by project area at 1.0 % Ni Cut-off Grade

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

GEOLOGY

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

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

Gold Assets, Western Australia

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.

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.

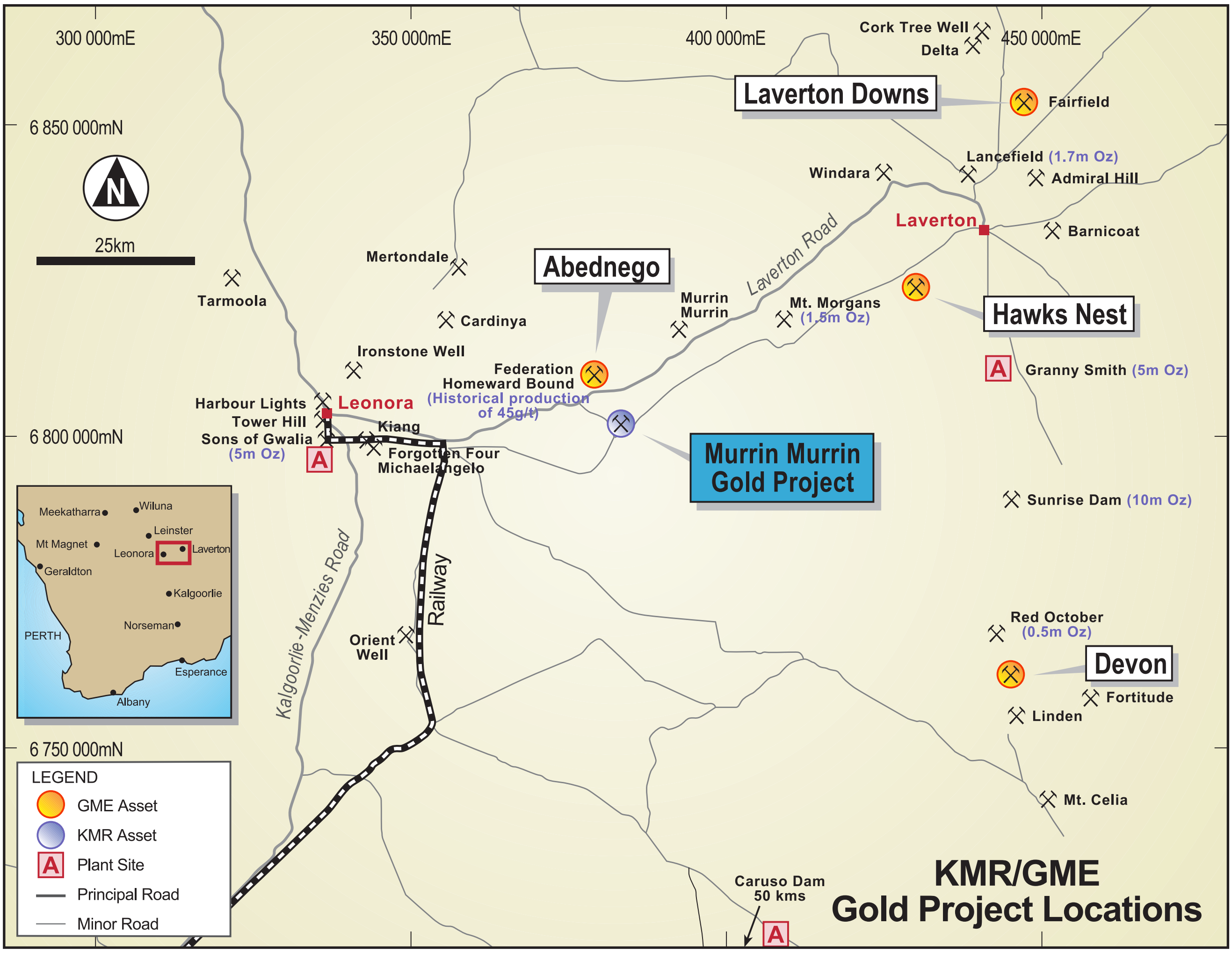


Figure 9: Golden Cliffs NL Gold Project Location Plan

DEVON GOLD PROJECT

As highlighted at the start of this report, the Devon Gold Mine was the subject of Mining operations at Devon were completed in August 2016 and the seventh and final batch of high-grade ore was processed at the Carosue Dam processing plant, followed by a final low grade stockpile in November.

The successful development generated $5.94M million in profit (including development costs) which commenced with a trial mine in June 2015 and was followed by a larger open pit mine from February 2016 to August 2016.

Rehabilitation work at the Devon Gold Mine has been completed and the project will now be monitored as per the Mine Closure Plan.

Figure 10. Devon Gold Project post mining & rehabilitation

As indicated on the following long section, mineralisation extends well below the current pit floor and remains open and untested at depth. (Refer figure 11) Potential exists for the development of underground resources at Devon with further drilling. The Company has at present deferred plans for a deep drilling program at Devon and is considering options for the project.

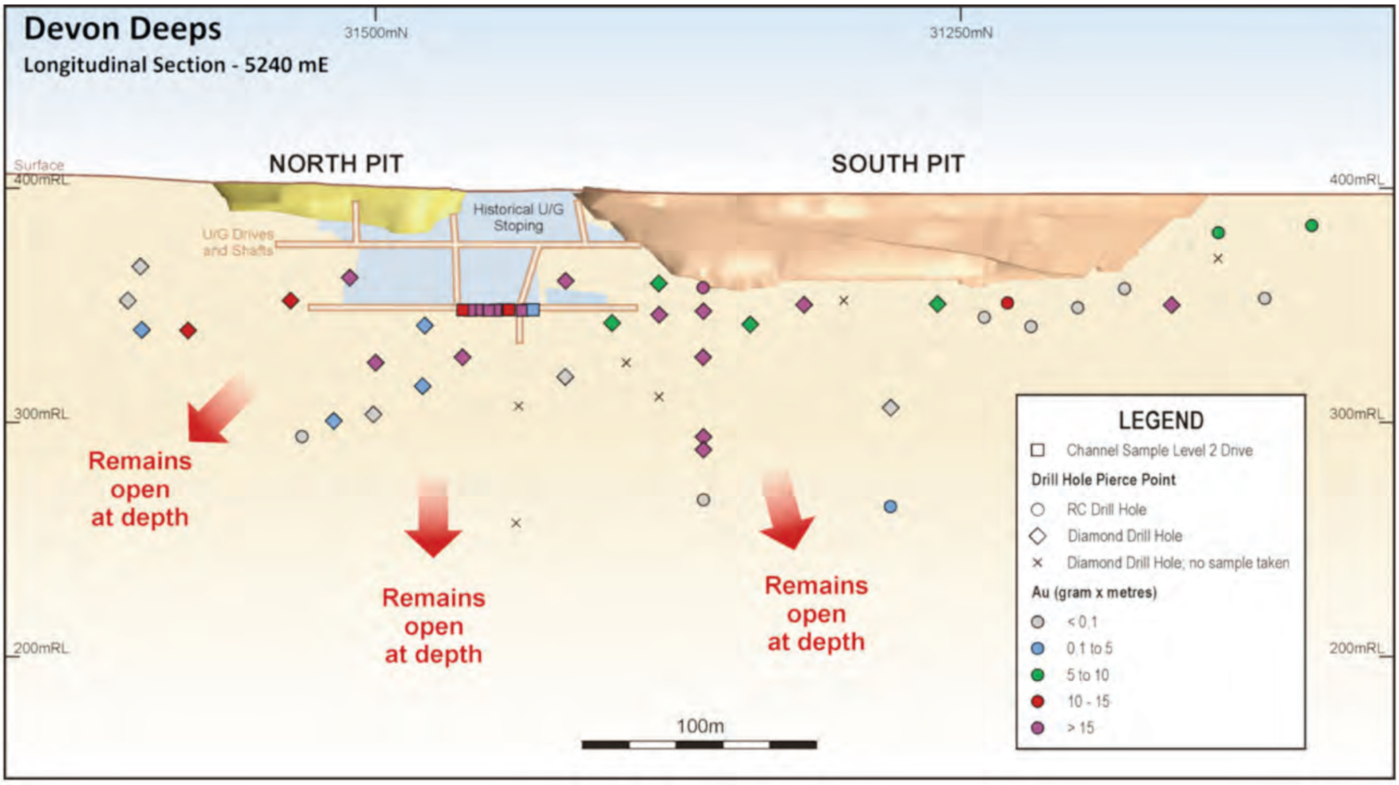


Figure 11. Long Section of the Devon Gold Mine

FEDERATION / SONEX GOLD PROJECTS

In the June quarter 2017, GME completed an RC drilling program of 16 holes for 946 metres at the Federation and Sonex prospects. The purpose of the program was to confirm and extend zones of better mineralisation intersected in previous drilling programs.

The results from the program confirmed extensions to the known mineralisation however the grades recorded in the assays are at the lower end of what is required to develop an economic deposit based toll milling through a third party plant . The Company will be reviewing the potential at the project before committing to any further work.

Table 4: Drilling results from the Federation and Sonex Prospects

Hole ID	Prospect	GDA94East	GDA9451North	From	To	Interval(m)	Au g/t
ABRC003	Sonex	382,150	6,809,460	59	67	8	0.94
ABRC003	Sonex	382,150	6,809,460	91	93	2	2.34
ABRC006	Sonex	381,962	6,809,260	31	36	5	1.43
incl*				32	36	4	1.63
ABRC008	Sonex	382,062	6,809,260	22	24	2	1.44
ABRC009	Federation	380,307	6,809,972	30	38	8	1.69
incl				30	35	5	2.39
ABRC010	Federation	380,294	6,810,005	6	11	5	1.12
ABRC012	Federation	380,309	6,810,026	2	17	15	1.15
incl				12	14	2	3.53
ABRC015	Federation	380,387	6,810,129	33	34	1	1.36
ABRC015	Federation	380,387	6,810,129	41	42	1	1.48
ABRC015	Federation	380,387	6,810,129	54	56	2	1.05

MURRIN MURRIN GOLD PROJECT

In July 2016, GME, through its 100%-owned subsidiary Golden Cliffs NL (GCNL) entered into a binding Terms Sheet with Zeta Resources Ltd whereby CGNL can earn up to 50% interest in the Murrin Murrin Gold Project.

During the September 2016 quarter, the Company completed further infill drilling at the project. Following a detailed review of the project, GME formed the view that whilst the development of the project had strong potential to generate profit, the estimated return was insufficient to justify the development under the Joint Venture terms.

In the June quarter 2017, GME advised Zeta Resources that it was withdrawing from the Joint Venture.

Jamie Sullivan
Managing Director

Competent Persons Statement

NiWest Nickel Project

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. This Mineral Resource Estimate has not been updated to JORC 2012 on the basis that the available information has not materially changed since the last review.

The information in this 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.

Gold Projects

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

Forward-Looking Statements

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

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

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Tenement Schedule

As at 30 June 2017

Project	Tenements	Interest Beginning Year	Interest End Year
Abednego West	P39/4730-4733	Golden Cliffs 100%	Nil
	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%	Golden Cliffs 100%
Hepi	M39/717 - 718, 819, P39/5813	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 20 cents per tonne
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
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
As of 30 June 2017

The Company's Mineral Resource Statement has been compiled in accordance with the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code 2012 and 2004 Editions) and Chapter 5 of the ASX Listing Rules and ASX Guidance Note 31. The Company has no Ore Reserve estimates.

The Company governs its activities in accordance with industry best-practice. The reported estimates for the NiWest Nickel Cobalt Project were generated by a reputable, independent consulting firm – Ravensgate International Pty Ltd. The resource reports and supporting data were subjected to internal analysis and peer-review before release.

In February 2017, GME completed an update of the NiWest Mineral Resource from JORC 2004 to 2012. The update calculated at a cut off of 0.8% nickel resulted in an increase of 5.27 million tonnes of the which the majority reports to the indicated category. Approximately 75% of the Mineral Resource Estimate now reports to the Measured and Indicated categories.

In October 2016, GME advised that it had completed mining at its Devon Gold Mine.

NiWest Nickel Laterite Project – North Eastern Goldfield Western Australia

2017 Summary of Mineral Resource Estimate Reported according to JORC (2012)

JORC 2012 Mineral Resource Estimate for NiWest Nickel Cobalt Project at 0.8% Ni Cut-off Grade

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

JORC 2012 Mineral Resource Estimate by project area at 0.8% Ni Cut-off Grade

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

The previous Mineral Resource Estimate in accordance with 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 21 February 2017 (ASX announcement).

Resource consultants, Ravensgate International Pty Ltd, were engaged to update the mineral resource estimate from JORC 2004 to 2012 for seven nickel cobalt laterite deposits which comprise the NiWest project based on a mining Cut off Grade of 0.8% nickel (Refer Table 1 & 2).

As advised in the Operations Report approximately 75% of the Mineral Resource Estimate reports to Measured and Indicated categories. Importantly, the metallurgical characteristics of the NiWest mineralisation have demonstrated that nickel and cobalt can be readily extracted using straightforward low capital intensity Heap Leach technology.

The Company has completed a metallurgical test program for a Heap Leaching operation coupled to a Direct Solvent Extraction and Refining facility capable of producing nickel and cobalt sulphates for the Lithium-ion battery market and has also commenced a pre-feasibility study expected to be completed in the March 2018 quarter.

Devon Gold Project - North Eastern Goldfields Western Australia

During the year the GME completed a mining operation at the Devon Gold Project with final batches of high grade ore processed at the Carosue Dam processing plant in August 2016 and low grade stockpiles in November 2016.

2015 Mineral Resource Estimate Reported according to JORC (2012) at 1g/t cut-off grade

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 Annual Mineral Resources Statement is based on and fairly represents information compiled by Mr Mark Gunther who is a member of the Australasian Institute of Geoscientists. Mr Gunther is a Principal Consultant with Eureka Geological Services. Mr Gunther has sufficient experience, which is relevant to the style of mineralization and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Mr Gunther 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 2017. 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:

Peter Ross Sullivan	(Non-executive - Chairman)
James Noel Sullivan	(Managing Director)
Peter Ernest Huston	(Non-executive - Director) (Appointed 20 March 2017)
Michael Delaney Perrott	(Non-executive – Chairman) (Resigned 20 March 2017)

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 2017 amounted to $1,779,747 (2016: profit $ 2,312,907).

OVERVIEW OF OPERATING ACTIVITY

NiWest Nickel Laterite Project Update

During the year the Company completed the second successful step in its ongoing metallurgical testwork to support the flow sheet design for production of nickel and cobalt sulphate products from the 100%-owned NiWest Nickel-Cobalt Project.

Nickel and cobalt sulphates are direct inputs into lithium ion batteries and GME is targeting production of these premium products from the NiWest Project to supply the growing lithium ion battery market.

The most recent testwork undertaken successfully completed solution neutralisation and iron/aluminium removal for NiWest ore at ambient temperature. A pilot plant was commissioned in May with the aim of replicating the process using a solution generated from a bulk column leach test on a representative two tonne sample from the Mt Kilkenny deposit at the NiWest Project.

The solution neutralisation and Fe/Al removal process is considered the most critical stage of the process flowsheet. The continuous pilot scale work confirmed initial batch testing results that this process can be undertaken at ambient temperature and by utilising a single stage approach.

This outcome validates that the solution generated from the proposed heap leach can be prepared for effective treatment via Direct Solvent Extraction (DSX) to produce final nickel and cobalt sulphate products. Not only is this expected to support reduced future capital and operating costs for the NiWest Project, but it represents a clear de-risking of the most critical stage in the proposed process flowsheet at NiWest.

Devon Gold Mine Update

Mining and processing operations at Devon concluded in the first half of the year and rehabilitation work has been completed over the reporting period. The project will now be monitored as per the Mine Closure Plan.

The successful development, which commenced with a trial mine in June 2015 and followed by the development of a larger open pit mine from February 2016 to August 2016, generated $5.94 million profit (excluding initial exploration expenditure capitalised on the project prior to commencement of mine development).

The mining operations left the Company in a relatively strong financial position to pursue further initiatives on both its Gold and Nickel assets over the year.

Review of Gold Assets

Murrin Murrin Gold Project Joint Venture

The Company has advised Kumarina Resources that it has withdrawn from the Murrin Murrin Gold Project Joint Venture. Following a detailed review of the project, the Company formed the view that whilst the development of the Malcolm Challenger deposit has strong potential to generate profit, the estimated return is insufficient to justify the development under the JV terms.

Federation / Sonex Gold Prospects

During the year the Company completed an RC drilling program of 16 holes for 946 metres at the Federation and Sonex prospects. The purpose of the program was to confirm and extend zones of better mineralisation intersected in previous drilling programs.

The results from the program confirmed extensions to the known mineralisation however the grades recorded in the assays are at the lower end of what is required to develop an economic deposit. The Company will now review the potential at the project before undertaking any further work.

FINANCIAL POSITION

At the end of the financial year the consolidated entity had $2,226,722 (2016: $1,529,217) in cash and at call deposits. Net Assets of $30,546,683 (2016: $28,599,036) were comprised mainly of carried forward exploration and evaluation expenditure of $28,450,995 (2016: $26,423,143).

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 5 September 2017, the Company advised that it had completed the third successful step in its ongoing metallurgical testwork to support the production of nickel and cobalt sulphate products from the 100%-owned NiWest Nickel-Cobalt Project.

The development of the proposed NiWest Project process flowsheet continued in July and August following successful bulk column leach testing and continuous piloting of the pregnant liquor solution (PLS) neutralisation and Fe/Al removal. The latest stage included batch and continuous piloting of direct solvent extraction (DSX) flowsheets, designed to generate pure nickel and cobalt product streams.

The first testwork stage focused only on generating a pure nickel sulphate electrolyte solution. Cobalt product generation will be completed following the nickel testwork. The outcome shows successful production of high purity nickel electrolyte and represents another milestone de-risking of a critical stage in the proposed NiWest process flow sheet.

The Company remains on track to produce battery-grade nickel and cobalt sulphates in the next 6 months from pilot-scale testwork using its NiWest DSX flowsheet.

The successful production of these products will facilitate discussions with potential consumers and offtake partners. The results of the metallurgical testwork form the basis of a Pre-Feasibility Study (PFS) for the NiWest Project which commenced in August. The PFS is expected to be completed by March 2018.

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 are in the exploration stage and 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

Peter Ross Sullivan BE, MBA *(Chairman)*
Director since 1996

Mr Sullivan was appointed chairman in March 2017. 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, Panoramic Resources Ltd since October 2015 and Bligh Resources Ltd since 13 July 2017.

Former directorships of listed companies in last 3 years

none

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

Mr Sullivan was appointed director of Bligh Resources Ltd on 13 July 2017.

Former directorships of listed companies in last 3 years

none

Peter Ernest Huston B. Juris, LLB (Hons), B.Com, LLM *(Non-executive Director)*
Director since 2017 (Appointed 20 March 2017)

Mr Peter Huston was appointed as a non-executive Director in March 2017. After gaining admission in Western Australia as a Barrister and Solicitor, Mr Huston initially practised in the area of corporate and revenue law. Subsequently, he moved into the area of public listings, reconstructions, equity raisings, mergers and acquisitions and advised on a number of major public company floats, takeovers and reconstructions. Mr Huston is admitted to appear before the Supreme Court, Federal Court and High Court of Australia. Mr Huston was a partner of the international law firm now known as "Deacons" until 1993 when he retired to establish the boutique investment bank and corporate advisory firm known as "Troika Securities Limited".

Other current directorships of listed companies

none

Former directorships of listed companies in last 3 years

Non-executive Chairman of Resolute Mining Ltd until June 2017

Mr Mark Edward Pitts B.Bus FCA, GAICD *(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.

Former Directors

Michael Delaney Perrott AM BCom FAIM FAICD *(Chairman)*
Director since 1996 (Resigned March 2017)

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 had 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.

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

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

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:

2017	Short Term Benefits Salary & Fees $	Post Employment Benefits Superannuation $	Long Term Benefits Options $	Total $	Performance Related %
Executive Directors					
James N Sullivan (1)	229,384	15,616	-	245,000	26.5
Non-executive Directors					
Peter R Sullivan	25,500	-	-	25,500	-
Peter E Huston (2)	7,000	-	-	7,000	-
Former non-executive Directors					
Michael D Perrott (3)	21,370	-	-	21,370	-
Executives					
Mr Mark Pitts	60,000	-	-	60,000	-
	274,000	**-**	**-**	**274,000**	**-**

(1) Includes a $65,000 bonus paid to Mr Sullivan upon successful completion of the Devon Gold Mine project.

(2) From date of appointment 20 March 2017

(3) Up to date of resignation 20 March 2017

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**	**-**

KMP Interests

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

2017 Director	Ordinary Shares Opening Balance	Net Change (1)	Ordinary Shares Closing Balance
Peter R Sullivan	30,109,888	-	30,109,888
James N Sullivan	23,467,169	-	23,467,169
Peter E Huston	-	39,601,476	39,601,476
Mark E Pitts	-	-	-
Michael D Perrott	18,265,922	(18,265,922)	-

(1) Shares held at date of appointment/resignation

2016 Director	Ordinary Shares Opening Balance	Net Change [1]	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	-	-	-

Other transactions with KMP

During the year, the consolidated entity paid $23,072 (2016: $17,438) 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 2017 was $nil (2016: $nil).

During the year, $nil (2016: $6,087) was paid to Kumarina Resources Pty Ltd (an entity of which Peter Sullivan and James Sullivan are Directors) for exploration services.

In addition to the fees paid to Mark Pitts for Company Secretarial Services, the Company also paid $23,513 (2016: $29,512) to Endeavour Corporate, of which Mark Pitts is a partner, for Accounting and bookkeeping services.

The Company has an amount payable of $nil (2016: $10,924) to Endeavour Corporate as at 30 June 2017.

The Company has an amount payable of $25,500 (2016: $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 $840 (2016: $9,940) for commercial hire of a vehicle owned by Sullivan's Garage Pty Ltd, an entity in which James Sullivan has an interest.

Loans to KMP

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

END OF REMUNERATION REPORT

MEETINGS OF DIRECTORS

During the year, 3 meetings of directors were held. Attendances were:

	Number Eligible to Attend	Number Attended
Peter R Sullivan	3	3
James N Sullivan	3	3
Peter E Huston (Appointed 20 March 2017)	-	-
Michael D Perrott (Resigned 20 March 2017)	3	3

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 2017.

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

James Sullivan
Managing Director

Perth, Western Australia
29th September 2017

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 2017, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements as set out in 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
29 September 2017

N G Neill
Partner

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

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2017

	Note	CONSOLIDATED 2017 $	2016 $
Revenue			
Sale of ore from gold mining operation		5,200,259	4,506,448
		5,200,259	4,506,448
Mining and processing costs		(2,968,580)	(2,342,741)
Royalty expense		(80,234)	(56,306)
Gross profit		2,151,445	2,107,401
Other income	2(a)	100,000	100,000
		2,251,445	2,207,401
Depreciation and amortisation expense	6/7	(2,168)	(8,766)
Impairment of exploration and evaluation expenditure	8	(291,067)	-
Management and consulting fees		(151,667)	(67,500)
Administration expenses	2(b)	(341,048)	(366,914)
Results from operating activities		1,465,495	1,764,221
Financial income		16,493	9,581
Financial expense		-	(76,898)
Net financing (expense)/income		16,493	(67,317)
Profit before income tax		1,481,988	1,696,904
Income tax benefit	3	297,759	616,003
Net profit for the year		1,779,747	2,312,907
Other comprehensive income		-	-
Total comprehensive income for the year		1,779,747	2,312,907
		Cents	Cents
Basic earnings per share (cents per share)	16	0.38	0.50
Diluted earnings per share (cents per share)		0.38	0.50

The accompanying notes form part of this financial statement.

Consolidated Statement of Financial Position

As at 30 June 2017

	Note	CONSOLIDATED 2017 $	2016 $
CURRENT ASSETS			
Cash and cash equivalents	13(b)	2,226,722	1,529,217
Trade and other receivables	4	70,274	-
Inventories	5	-	529,132
Prepayments		129,384	4,750
TOTAL CURRENT ASSETS		2,426,380	2,063,099
NON-CURRENT ASSETS			
Trade and other receivables	4	17,286	17,189
Plant and equipment	6	4,148	1,996
Intangible assets	7	2,214	3,691
Deferred exploration and evaluation expenditure	8	28,450,995	26,423,143
Mine development asset	9	-	1,452,671
TOTAL NON-CURRENT ASSETS		28,474,643	27,898,690
TOTAL ASSETS		30,901,023	29,961,789
CURRENT LIABILITIES			
Trade and other payables	10	354,340	1,362,753
TOTAL CURRENT LIABILITIES		354,340	1,362,753
TOTAL LIABILITIES		354,340	1,362,753
NET ASSETS		30,546,683	28,599,036
EQUITY			
Issued capital	11	53,370,931	53,203,031
Accumulated losses		(22,824,248)	(24,603,995)
TOTAL EQUITY		30,546,683	28,599,036

The accompanying notes form part of this financial statement.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2017

CONSOLIDATED	Note	Issued Capital $	Option Reserve $	Accumulated Losses $	Total $
Balance at 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 income 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**
Profit for the year		-	-	1,779,747	1,779,747
Total comprehensive income for the year		-	-	1,779,747	1,779,747
Transaction with owners in their capacity as owners					
Shares issued net of costs		167,900	-	-	167,900
Balance at 30 June 2017		**53,370,931**	**-**	**(22,824,248)**	**30,546,683**

The accompanying notes form part of this financial statement.

Consolidated Statement of Cash Flows

For the year ended 30 June 2017

	Note	CONSOLIDATED 2017 $	2016 $
Cash flows from operating activities			
Proceeds from gold sales		5,720,285	4,957,092
Payments for expenses of mining operation		(2,605,557)	(2,177,367)
Payments for cost of mine development		-	(1,452,671)
Payments to suppliers and employees		(463,264)	(422,542)
Payments for exploration and evaluation		(2,363,170)	(1,814,758)
Interest received		16,396	9,567
Research and development tax offset		297,759	616,003
Other income – Proceeds from royalty and facilitation fee		100,000	100,000
Net cash inflow/(outflow) from operating activities	13(a)	702,449	(184,676)
Cash flows from investing activities			
Purchase of non-current assets		(2,844)	(2,099)
Net cash outflow from investing activities		(2,844)	(2,099)
Cash flows from financing activities			
Proceeds from borrowings		-	1,500,000
Repayment of borrowings		-	(1,500,000)
Costs of finance		-	(76,898)
Payment of costs associated with issue of shares		(2,100)	-
Net cash outflow from financing activities		(2,100)	(76,898)
Net increase/(decrease) in cash and cash equivalents		697,505	(263,673)
Cash and cash equivalents held at the start of the year		1,529,217	1,792,890
Cash and cash equivalents held at the end of the year	13(b)	2,226,722	1,529,217

The accompanying notes form part of this financial statement.

Notes to the Financial Statements

For the year ended 30 June 2017

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 2017 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 2017, 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 2017. 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 Company has assessed the exploration and evaluation costs in accordance with AASB 6 and believes there are no indicators for impairment. In addition, 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 $26,942,807 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.

1. STATEMENT OF ACCOUNTING POLICIES continued

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 2016.

(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 $1,779,747, and a cash inflow from operating activities of $702,449 for the year ended 30 June 2017 and at balance date, had net current assets of $2,072,040.

Notwithstanding the positive results and current working capital position, should the Company not be successful in obtaining adequate funding, or should cashflows not eventuate as planned, there is a material uncertainty that may cast significant doubt as to the ability of the group to continue as a going concern and whether it can realise its assets and extinguish its liabilities in the ordinary course of business.

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

(e) Statement of compliance

The financial statements were authorised for issue on 28th September 2017.

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.

1. STATEMENT OF ACCOUNTING POLICIES continued

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.

1. STATEMENT OF ACCOUNTING POLICIES continued

(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.

1. STATEMENT OF ACCOUNTING POLICIES continued

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.

1. STATEMENT OF ACCOUNTING POLICIES continued

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.

1. STATEMENT OF ACCOUNTING POLICIES continued

(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 of 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.

1. STATEMENT OF ACCOUNTING POLICIES continued

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.

1. STATEMENT OF ACCOUNTING POLICIES continued

(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	
	2017	2016
	$	$
2. OTHER INCOME AND EXPENSES		
(a) Other income:		
Facilitation fee for prospecting rights	100,000	100,000
Total revenue	100,000	100,000
(b) Administration costs:		
Audit and taxation compliance fees	63,650	58,641
Corporate compliance costs	45,529	42,993
Insurance	28,700	24,939
Office costs	129,122	117,352
Research & development claim preparation	44,662	92,373
Other	29,385	30,616
	341,048	366,914
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	297,759	616,003
Total tax benefit	297,759	616,003
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:		
Accounting profit before tax from continuing operations	1,481,988	1,696,904
Income tax expense/(benefit) calculated at 27.5% (2016: 30%)	407,547	509,071
Non-deductible expenses	27,865	27,724
R&D tax incentive	297,759	616,003
Tax losses and deferred tax balances not recognised	(715,943)	(536,795)
Change in tax rate	280,531	-
Income tax benefit reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.	297,759	616,003

3. INCOME TAX continued

	CONSOLIDATED 2017 $	2016 $
(b) Unrecognised deferred tax balances		
Deferred tax assets comprise:		
Tax losses carried forward	10,162,206	11,706,870
Other deferred tax balances	67,497	22,252
	10,229,703	11,729,122
Deferred tax liabilities comprise:		
Exploration expenditure capitalised	7,824,023	7,926,943
Mine development asset	-	435,801
	7,824,023	8,362,744
Income tax benefit not recognised directly in equity during the year:		
Capital raising costs	-	-

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

	2017 $	2016 $
Current		
GST Refundable	67,986	-
Other	2,288	-
	70,274	-
Non-current		
Bonds	17,286	17,189

5. INVENTORIES

	2017 $	2016 $
Ore stockpiles	-	529,132

6. PLANT AND EQUIPMENT (NON-CURRENT)

	2017 $	2016 $
Plant and equipment - at cost	745,610	742,765
Less accumulated depreciation	(741,462)	(740,769)
Total plant and equipment	4,148	1,996
Reconciliation of the carrying amount of plant and equipment:		
Carrying amount at the beginning of the year	1,996	1,282
Additions	2,844	2,099
Depreciation	(692)	(1,385)
Carrying amount at the end of the year	4,148	1,996

	CONSOLIDATED 2017 $	2016 $

7. INTANGIBLE ASSETS (NON-CURRENT)

	2017 $	2016 $
Software – at cost	18,453	18,453
Less accumulated amortisation	(16,239)	(14,762)
	2,214	3,691
Reconciliation of the carrying amount of intangible assets		
Carrying amount at the beginning of the year	3,691	11,072
Depreciation	(1,477)	(7,381)
Carrying amount at the end of the year	2,214	3,691

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

	2017 $	2016 $
Exploration and evaluation phase - at cost		
Movements:		
Balance at beginning of the year	26,423,143	24,819,524
Direct expenditure	2,318,919	1,603,619
	28,742,062	26,423,143
Less impairment of exploration and evaluation expenditure	(291,067)	-
	28,450,995	26,423,143

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.

9. MINE DEVELOPMENT ASSET

	2017 $	2016 $
Balance at the beginning of the year	1,452,671	-
Additions	-	1,452,671
Expensed	(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. The mining operation was completed during the year and all capitalised costs were expensed to the project See note 1(n)

10. PAYABLES (CURRENT)

	2017 $	2016 $
Trade payables and accruals	354,340	1,196,034
GST Payable	-	166,719
	354,340	1,362,753

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 2017.

	CONSOLIDATED 2017 $	2016 $

11. ISSUED CAPITAL AND RESERVES

	2017 $	2016 $
463,596,374 (2016: 461,596,374) ordinary shares, fully paid	53,370,931	53,203,031
Ordinary shares		
Balance at the beginning of the year	53,203,031	53,203,031
Issued on appointment of corporate advisors	170,000	-
Costs associated with issue	(2,100)	-
Balance at the end of the year	53,370,931	53,203,031

	2017 No of Shares	2016 No of Shares
Balance at the beginning of the year	461,596,374	461,596,374
Issued on appointment of corporate advisors	2,000,000	-
Balance at the end of the year	463,596,374	461,596,374

Reserves

The option reserve was used to record the fair value of options issued. As those options previously on issue had previously lapsed in accordance with their terms, the balance of the reserve has been transferred to Accumulated Losses.

12. CONTROLLED ENTITIES

	Percentage Owned		Company's Cost of Investment	
Name of Controlled Entity (Country of Incorporation)	2017 %	2016 %	2017 $	2016 $
GME Sulphur Inc (USA)	100	100	-	-
GME Investments Pty Ltd (Australia)	100	100	-	-
Golden Cliffs NL (Australia)	100	100	616,893	616,893
NiWest Limited (Australia)	100	100	4,561,313	4,561,313
			5,178,206	5,178,206

13. CONSOLIDATED STATEMENT OF CASH FLOWS

a) Reconciliation of cash flows from operating activities

	CONSOLIDATED 2017 $	2016 $
Profit from ordinary activities after tax	1,779,747	2,312,907
Depreciation / amortisation	2,168	8,767
Exploration costs impaired/written off	291,067	-
Exploration costs capitalised (excluding creditors)	(2,373,170)	(1,814,758)
Mine development costs (capitalised)/reversed	1,452,671	(1,452,671)
Decrease/(increase) in receivables and prepayments	(95,549)	280,131
Increase/(decrease) in sundry creditors	(883,617)	1,010,080
(increase)/decrease in inventories	529,132	(529,132)
Net cash inflows/(outflows) from operating activities	702,449	(184,676)

b) Reconciliation of cash and cash equivalents

	2017 $	2016 $
Cash balance comprises:		
Cash at bank	28,985	848,717
Deposits at call	2,197,737	680,500
	2,226,722	1,529,217

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.

c) Non-cash financing activities

	2017 $	2016 $
Issue of 2,000,000 shares at a deemed value of $0.085 on appointment of corporate advisors	170,000	-
	170,000	-

14. AUDITOR'S REMUNERATION

	2017 $	2016 $
Amounts received or due and receivable by the auditors of GME Resources Ltd for:		
- an audit or review of the financial statements of the Company and any other entity in the Group	27,780	26,750
- other services in relation to the Company and any other entity in the Group (tax compliance services)	1,250	7,000
	29,030	33,750

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 2017 $	2016 $
16. EARNINGS PER SHARE		
Basic and diluted earnings per share (cents)	0.38	0.50
Profit used in calculation of basic and diluted earnings per share	1,779,747	2,312,907
Weighted average number of ordinary shares outstanding during the year used in calculation of basic and diluted earnings per share	462,266,704	461,596,374

The Company does not have any options on issue.

17. DIRECTORS' AND EXECUTIVES' DISCLOSURES

a) Details of Key Management Personnel

Directors

Peter Ross Sullivan	Non-executive Chairman
James Noel Sullivan	Managing Director
Peter Ernest Huston	Non-executive Director

Former Director

Michael Delaney Perrott	Non-executive director

Executives

Mark Edward Pitts	Company Secretary

b) Key Management Personnel Compensation

	2017 $	2016 $
Short-term employee benefits	343,254	274,000
Post-employment benefits	15,616	-
Long-term employee benefits	-	-
	358,870	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

			Fixed Interest Rate Maturing			
2017 Financial Assets	Weighted Average Effective Interest Rate	Floating Interest Rate $	Within 1 year $	Over 1 year $	Non-interest Bearing $	Total $
Cash assets	0.57%	28,985	2,197,737	-	-	2,226,722
Receivables	n/a	-	-	-	70,274	70,274
		28,985	2,197,737	-	70,274	2,296,996
Payables	n/a	-	-	-	354,340	354,340
		-	-	-	354,340	354,340

			Fixed Interest Rate Maturing			
2016 Financial Assets	Weighted Average Effective Interest Rate	Floating Interest Rate $	Within 1 year $	Over 1 year $	Non-interest Bearing $	Total $
Cash assets	1.4%	848,717	680,500	-	-	1,529,217
Receivables	n/a	-	-	-	-	-
		848,717	680,500	-	-	1,529,217
Payables	n/a	-	-	-	1,362,753	1,362,753
		-	-	-	1,362,753	1,362,753

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 $14,317 and increase by $14,317, respectively (2016: $3,380). 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.

18. FINANCIAL INSTRUMENT DISCLOSURES continued

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 2017, 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 $1,843,540 (2016: $1,477,880) per annum on an ongoing basis in respect of tenement lease rentals and to meet the minimum expenditure requirements of the Western Australian 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	
	2017	2016
	$	$
c) Non-cancellable Operating Lease Commitments		
Within one year	71,064	44,766
One year or later and no later than five years	28,688	26,688
	94,752	71,454

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.

	CONSOLIDATED 2017 $	2016 $

21. RELATED PARTIES

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

	2017 $	2016 $
Non-current receivables		
Loans net of provisions for non- recovery	28,007,761	18,276,794
Current payables		
Loans	835,785	1,689,034

During the year, the consolidated entity paid $23,072 (2016: $17,438) 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 2017 was $nil (2016: $nil).

During the year, $nil (2016: $6,087) was paid to Kumarina Resources Pty Ltd (an entity of which Peter Sullivan and James Sullivan are Directors) for exploration services.

In addition to the fees paid to Endeavour Corporate for Company Secretarial Services, of which Mark Pitts is a partner, the Company also paid $23,513 (2016: $29,512), for Accounting and bookkeeping services.

The Company has an amount payable of $nil (2016: $10,924) to Endeavour Corporate as at 30 June 2017.

The Company has an amount payable of $25,500 (2016: $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 $840 (2016: $9,940) 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 2017 the parent Company of the Group was GME Resources Limited.

	2017 $	2016 $
Results of the parent entity		
Profit after tax for the year	2,070,814	2,212,907
Other comprehensive income	-	-
Total comprehensive result for the year	2,070,814	2,212,907
Financial position of the parent entity at year end		
Current assets	2,426,380	1,896,380
Non-current assets	30,261,383	31,083,697
Total assets	32,687,763	32,979,777
Current liabilities	354,340	2,885,069
Total liabilities	354,340	2,885,069
Total equity of the parent entity comprising of:		
Share capital	53,370,931	53,203,031
Accumulated losses	(21,037,508)	(23,108,323)
Total equity	32,333,423	30,094,708

23. SUBSEQUENT EVENTS

On 5 September 2017, the Company advised that it had completed the third successful step in its ongoing metallurgical testwork to support the production of nickel and cobalt sulphate products from the 100%-owned NiWest Nickel-Cobalt Project.

Nickel and cobalt sulphates are direct inputs into lithium ion batteries and GME is targeting production of these premium products from the NiWest Project to supply the growing lithium ion battery market.

The development of the proposed NiWest Project process flowsheet continued in July and August following successful bulk column leach testing and continuous piloting of the pregnant liquor solution (PLS) neutralisation and Fe/Al removal. The latest stage included batch and continuous piloting of direct solvent extraction (DSX) flowsheets, designed to generate pure nickel and cobalt product streams.

The first testwork stage focused only on generating a pure nickel sulphate electrolyte solution. Cobalt product production will be completed following the nickel testwork. The outcome shows successful production of high purity nickel electrolyte and represents another milestone de-risking of a critical stage in the proposed NiWest process flow sheet.

The Company remains on track to produce battery-grade nickel and cobalt sulphates in the next 6 months from pilot-scale testwork using its NiWest DSX flowsheet.

The successful production of these products will facilitate discussions with potential consumers and offtake partners. The results of the metallurgical testwork form the basis of a Pre-Feasibility Study (PFS) for the NiWest Project which commenced in August. The PFS is expected to be completed by March 2018.

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 2017 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 2017.

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

James Sullivan
Managing Director

Perth, Western Australia
29th September 2017

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REPORT

To the members of GME Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of GME Resources ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2017, 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 to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year then ended; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material uncertainty related to going concern

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

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Key Audit Matter	How our audit addressed the key audit matter
Carrying amount of exploration and evaluation expenditure Note 8 of the financial report	
At 30 June 2017, the carrying value of exploration and evaluation expenditure is $28,450,995. In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, the Group capitalises all exploration and evaluation expenditure, including acquisition costs and applies the cost model after recognition. Our audit focussed on the Group's assessment of the carrying amount of the capitalised exploration and evaluation expenditure. We considered this to be a key audit matter because this is the most significant asset of the Group. There is a risk that the capitalised expenditure no longer meets the recognition criteria of the standard. In addition, we considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of the exploration and evaluation expenditure may exceed its recoverable amount.	Our procedures included but were not limited to the following: • We obtained an understanding of the key processes associated with management's review of the carrying value of the exploration and evaluation expenditure; • We considered the Directors' assessment of potential indicators of impairment; • We obtained evidence that the Group has current rights to tenure of its areas of interest; • We tested a sample of exploration expenditures to see that it met requirements for capitalisation; • We discussed with management the nature of planned ongoing activities; and • We examined the disclosures made in the financial report.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors 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 preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

HLB Mann Judd

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2017.

In our opinion, the remuneration report of GME Resources Limited for the year ended 30 June 2017 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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.

HLB Mann Judd

Norman Glad

HLB Mann Judd
Chartered Accountants

N G Neill
Partner

Perth, Western Australia
29 September 2017

Additional Information For Listed Public Companies

The following additional information, applicable at 30 September 2017 is required by the Australian Securities Exchange Ltd in respect of listed public companies only.

Shareholding

a. Distribution of Shareholders	Number of Holders
Category (size of holding)	
1 – 1,000	95
1,001 – 5,000	280
5,001 – 10,000	146
10,001 – 100,000	489
100,001 – and over	231
TOTAL	1,241

b. The number of shareholders holding less than a marketable parcel is 424.

c. The names of the substantial shareholders listed in the holding Company's register as at 30 September 2017 are:

Shareholder	Number	% of issued capital
ICM LIMITED	203,786,128	44.15
MANDALUP INVESTMENTS PTY LTD	39,601,476	8.54
PETER ROSS SULLIVAN	30,109,888	6.49
JAMES NOEL SULLIVAN	23,467,169	5.06

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	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	158,442,820	34.18
2	MANDALUP INVESTMENTS PTY LTD	29,421,416	6.35
3	J P MORGAN NOMINEES AUSTRALIA LIMITED	22,957,494	4.95
4	PANORAMIC RESOURCES LIMITED	18,518,519	3.99
5	AUSTRALIAN EXECUTOR TRUSTEES LIMITED	15,561,714	3.36
6	HARDROCK CAPITAL PTY LTD	13,673,556	2.95
7	DUNCRAIG INVESTMENTS SERVICES PTY LTD	13,265,922	2.86
8	MR PETER ROSS SULLIVAN	10,832,520	2.34
9	MMP (WA) PTY LTD	10,500,000	2.26
10	MANDALUP INVESTMENTS PTY LTD	10,180,060	2.20
11	PROTAX NOMINEES PTY LTD	7,100,000	1.53
12	TWO TOPS PTY LTD	5,926,718	1.28
13	HARDROCK CAPITAL PTY LTD	5,374,132	1.16
14	ZETA RESOURCES LIMITED	5,160,931	1.11
15	SULLIVANS GARAGE PTY LTD	4,311,332	0.93
16	MR DOUGLAS STUART BUTCHER	4,267,311	0.92
17	MD NICHOLAEFF PTY LTD	4,015,779	0.87
18	HVH PTY LTD	3,946,789	0.85
19	TUNZA HOLDINGS PTY LTD	3,603,121	0.78
20	MR ROBERT GREGORY LOOBY	3,300,000	0.71
		350,360,134	75.57

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.

GME RESOURCES LIMITED

www.gmeresources.com.au