GME RESOURCES LIMITED

ABN 62 009 260 315

ANNUAL REPORT

2020

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Managing Director
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SECURITIES EXCHANGE LISTING

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

STATE OF REGISTRATION

Western Australia

CONTENTS

The COVID-19 pandemic has changed many of the things that we took for granted. The sudden global shut down of economies resulted in un-precedented uncertainty that has affected financial and commodity markets, growth forecasts and significantly intensified human health risks.

Despite negative news flows across the world, the mining and exploration sector in Western Australia has remained resilient and has been a beacon for the Australian economy. Over the past few months gold price has reached historic highs in AUS$ terms and nickel prices are showing positive signs of recovery.

Whilst the lock down and restriction on travel did not significantly impact the Company financially, it has delayed planned field work that the Company was pursuing in relation to its gold projects. This work has been rescheduled and will recommence in the near future.

The Company continues to focus its efforts on realising the development opportunity which exists for its high quality and strategic flag ship asset the NiWest Nickel – Cobalt Project.

Uncertainty over the past year, combined with a sustained period of subdued nickel prices driven by lower than expected growth in the Electric Vehicle (EV) lithium-ion battery sector has resulted in a particularly challenging investment market for capital intensive nickel laterite projects. However, with evidence of increasing sales of EV's, demand for battery metals is forecast to increase.

Following a long period of minimal investment in new nickel developments, nickel supply chains are expected to come under pressure as the increased demand from EV battery metal market materialises, leading to stronger metal prices and increased capital investment.

In the meantime, the Company is maintaining a vigilant approach to working capital requirements and continues to assess its options to minimise holding costs of its assets. With gold price hovering around $2600 per ounce the Company's is looking at the potential to generate cash flows from its remaining gold assets. Exploration Work is planned to be undertaken at two of the Company's gold projects over the coming year.

Information pertaining to activities and the Company's mineral assets are detailed in this section.

NIWEST NICKEL-COBALT PROJECT

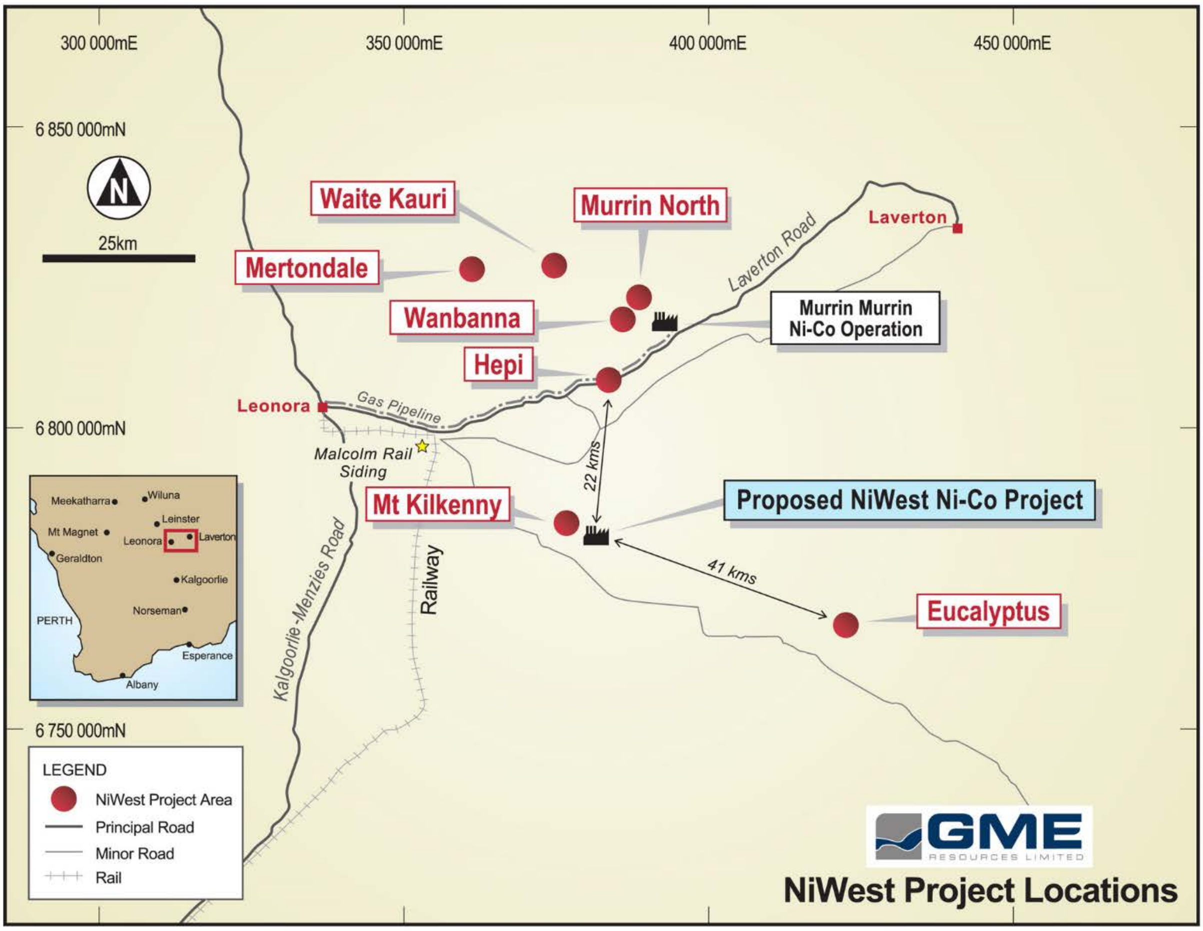


Figure 1 NiWest Project Locations

GME Resources Limited's (GME or the Company) through its subsidiary (100%) NiWest Limited owns the NiWest Nickel Cobalt Laterite Project (NiWest or the Project). The Project is centrally located in the West Australian Nickel belt and adjacent to Glencore's Murrin Murrin Nickel-Cobalt Operation (MMO) which produces approximately 35,000 tonnes of LME nickel and 3000 tonnes of LME cobalt per annum.

The NiWest Project is considered to be one of the largest high-grade undeveloped nickel-cobalt deposits in Australia. The project is situated in a semi-arid regional environment that is considered highly conducive for the development of a heap leach operation. The region is well serviced with infrastructure such as public rail linked to the ports of Esperance and Fremantle, gas pipeline, arterial bitumen roads, optic fibre communications and long-established mining towns. All projects mineral resources are located on granting Mining Leases.

Over the past decade the Company has progresses drilling programs that have resulted in delineation of significant nickel and cobalt resources, undertaken extensive metallurgical leach test programs and developed a comprehensive flow sheet for the downstream processing of nickel solutions through to the production of high purity nickel/cobalt products.

Table 1: Mineral Resource Estimate[1] for NiWest Project at 0.8% Ni Cut-off Grade

JORC Classification	Tonnes (million)	Nickel Grade (%)	Cobalt Grade (%)	Nickel Metal (kt)	Cobalt Metal (kt)
Measured	15.2	1.08	0.064	165	9.8
Indicated	50.4	1.04	0.068	527	34.5
Inferred	19.5	0.95	0.057	186	11.0
TOTAL*	**85.2**	**1.03**	**0.065**	**878**	**55.4**

** Columns may not total exactly due to rounding errors. Tonnages are reported as dry tonnage*
1 ASX Release 2 August 2018

A continuous pilot phase of the proposed flow sheet was completed in 2018 that provided technical, metallurgical and financial data to undertake a comprehensive Pre-Feasibility Study. (Refer ASX Announcement 2 Aug 2018).

The study confirmed the technical and financial robustness of a long-life heap leaching operation coupled to a Direct Solvent Extraction plant and refinery producing high purity nickel and cobalt sulphate products suitable for delivery into the lithium-ion battery materials markets.

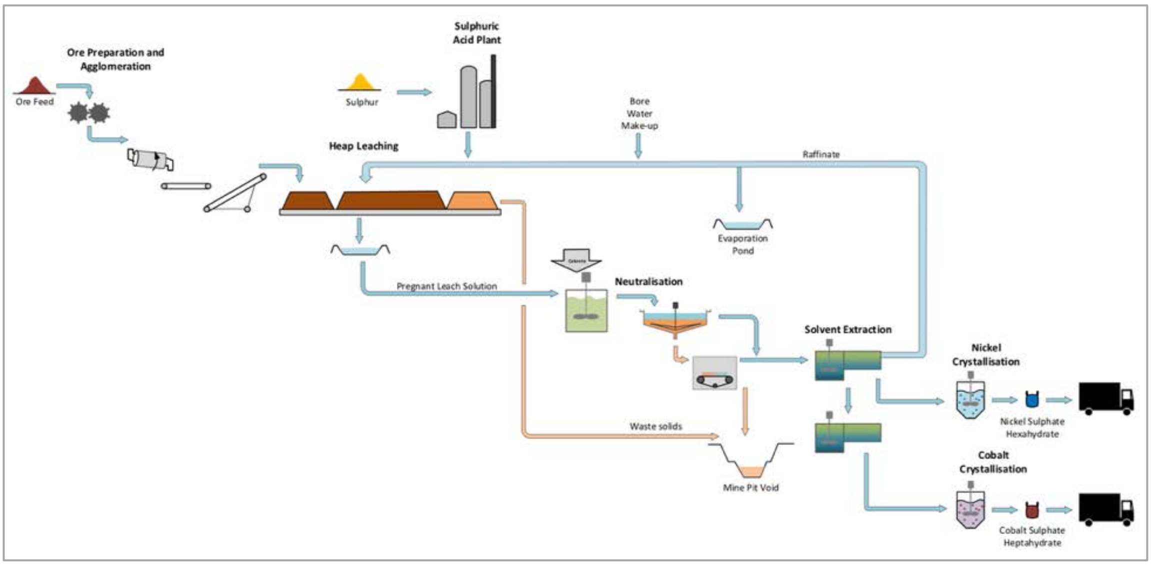


Figure 2. NiWest flowsheet schematic

NiWest Nickel Cobalt Project PFS

NiWest PFS Parameters and Results

Updated Mineral Resource estimate of 85.2Mt at 1.03% nickel and 0.065% cobalt (0.8% nickel cut-off).

Maiden NiWest Ore Reserve estimate of 64.9Mt at 0.91% nickel and 0.06% cobalt (at 0.5% nickel cut-off).

Conventional open pit mining at a low projected strip ratio of 2.0:1.

Head grades average 1.05% nickel and 0.07% cobalt for the first 15 years. Opportunity to extend high-grade profile through potential conversion of Inferred Resources and/or inclusion of other deposits.

Selected processing route of heap leaching followed by highly efficient Direct Solvent Extraction (DSX) to produce low-cost nickel and cobalt sulphate products.

Initial 27-year operating life at a nameplate processing capacity of 2.4Mtpa. Projected steady-state nickel and cobalt recoveries of 79% and 85% respectively.

Total production of 456kt nickel (in nickel sulphate) and 31.4kt cobalt (in cobalt sulphate). Average annual production of 19.2kt nickel and 1.4kt cobalt over the first 15 years.

Project construction period of 24 months from Final Investment Decision (FID). Forecast commissioning and plant ramp-up phase of approximately 20 months.

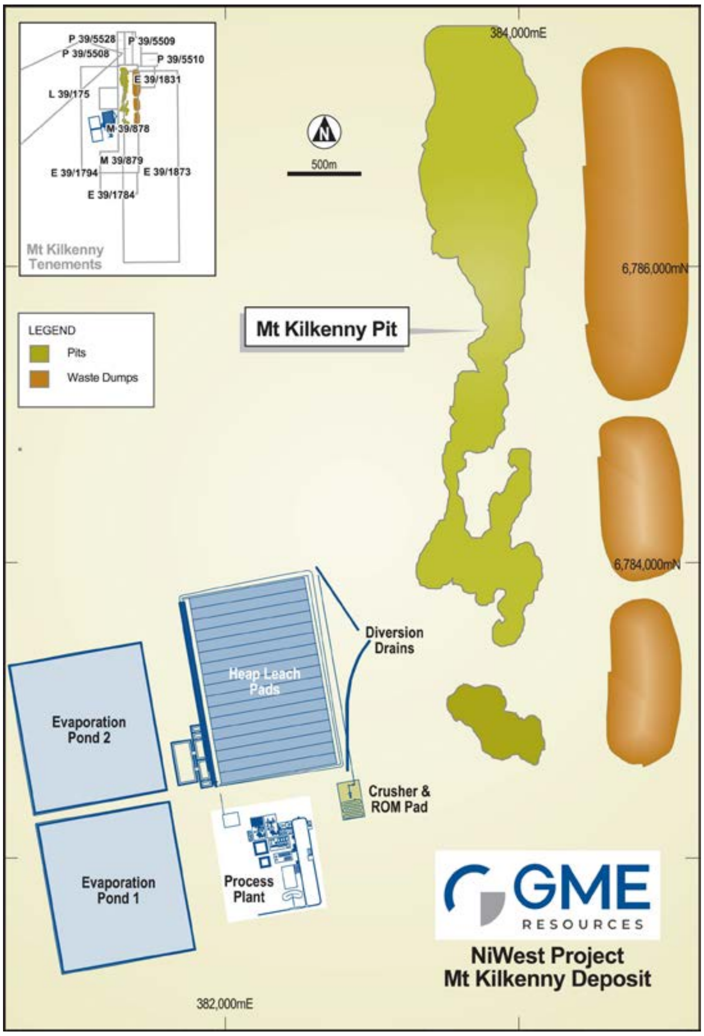


Figure 3. Mt Kilkenny mining and process plant layout

The key economic assumptions and outcomes of the PFS are:

Life-of-mine price estimates of US$8.00/lb nickel (includes US$0.75/lb sulphate premium) and US$25/lb cobalt (zero sulphate premium). A$/US$ assumption of 0.75.

Ungeared post-tax $NPV_{8\%}$ of A$791M and internal rate of return (IRR) of 16.2% (equivalent pre-tax values of A$1,390M and 21.2%, respectively). Payback period (pre-tax) of 4.4 years.

Average cash unit operating cost (post royalties and cobalt credits) of US$3.24/lb contained nickel (US$3.00/lb for the first 15 years).

Forecast pre-production capital expenditure of A$966M, representing a globally attractive pre-production capital intensity of sub-US$20 per pound of average annual nickel production.

Projected free cashflow (post all capital expenditure and tax) of A$3,342M.

Mineral Resources and Reserves used in PFS

The Mineral Resource estimate for solely those deposits that are the subject of the PFS is 67.0Mt at 1.04% Ni and 0.065% cobalt (0.8% Ni cut-off, refer Table 4).

At a 0.8% Ni grade cut-off approximately 74% of the contained nickel in the PFS Mineral Resource estimate is classified in the Measured and Indicated categories.

Table 2: Mineral Resource Estimates for Mt Kilkenny, Eucalyptus and Hepi at 0.8% Ni Cut-off

Deposit	JORC Classification	Tonnes (M)	Ni Grade (%)	Co Grade (%)	Ni Metal (kt)	Co Metal (kt)
Mt Kilkenny	Measured	8.8	1.11	0.063	98	5.6
	Indicated	12.7	1.09	0.079	138	10.0
	Inferred	4.5	0.98	0.051	44	2.3
	Sub-total*	26.0	1.08	0.069	279	17.9
Eucalyptus	Indicated	23.7	1.04	0.064	247	15.3
	Inferred	12.8	0.95	0.056	121	7.1
	Sub-total*	36.5	1.01	0.061	368	22.4
Hepi	Measured	1.6	1.20	0.078	19	1.2
	Indicated	1.5	1.01	0.073	15	1.1
	Inferred	1.5	0.95	0.074	14	1.1
	Sub-total*	4.5	1.06	0.075	48	3.4
Total	Measured	10.4	1.12	0.066	117	6.8
	Indicated	37.9	1.05	0.070	400	26.4
	Inferred	18.7	0.96	0.056	178	10.4
	Total*	**67.0**	**1.04**	**0.065**	**695**	**43.6**

**Columns may not total exactly due to rounding errors. Tonnages are reported as dry tonnage*

Ore Reserve & Mine Planning

The Maiden Ore Reserve estimate for the NiWest Project is 64.9Mt at 0.91% Ni and 0.06% Co (for 592kt contained nickel and 38kt contained cobalt). This is based on a 0.5% Ni cut-off grade (refer Table 3).

Table 3: NiWest Project Ore Reserve Estimate (at 0.5% Ni Cut-off Grade)

Orebody	JORC Classification	Tonnes (M)	Ni Grade (%)	Co Grade (%)
Mt Kilkenny	Probable	27.9	0.96	0.06
Eucalyptus	Probable	32.2	0.87	0.05
Hepi	Probable	4.7	0.91	0.06
Total*	**Probable**	**64.9**	**0.91**	**0.06**

**Columns may not total exactly due to rounding errors. Tonnages are reported as dry tonnage*

The NiWest Ore Reserve estimate includes a higher grade (>0.8% Ni cut-off) component of 41.2Mt at 1.06% Ni and 0.07% Co. Mining and processing/refining of this higher-grade component predominantly occurs during the first 15 years of NiWest operating life.

GOLD ASSETS - Golden Cliffs NL (100%)

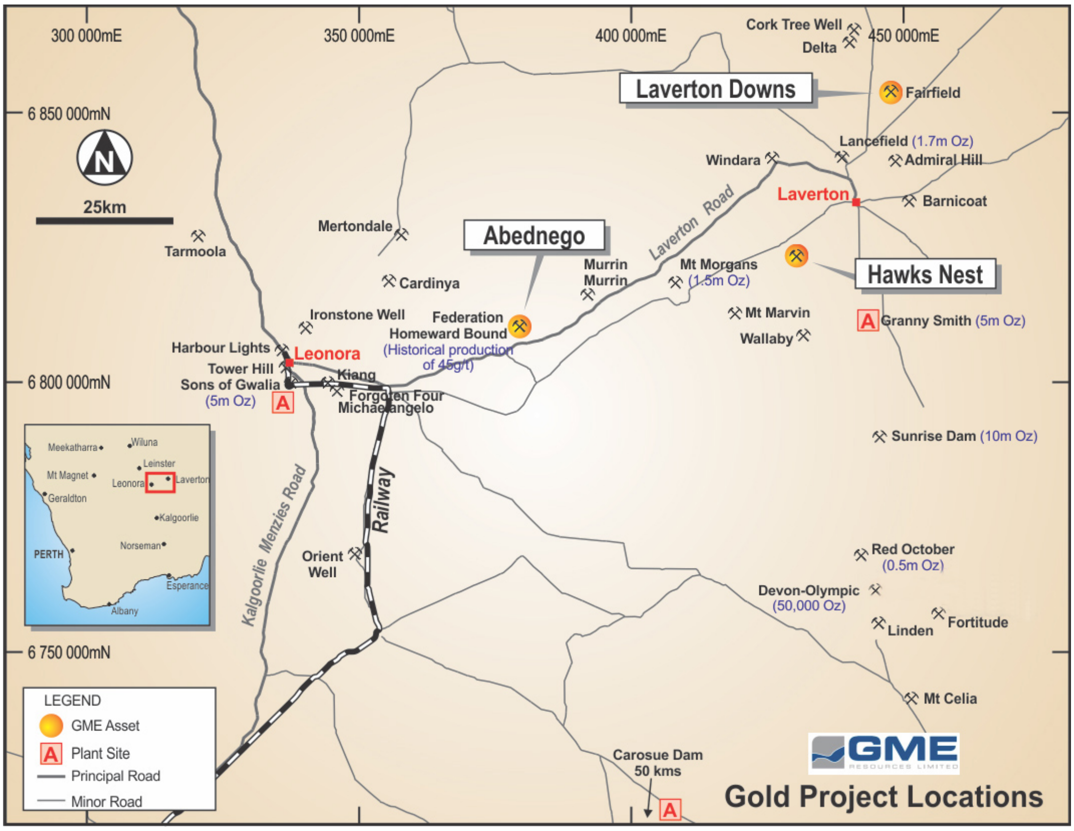


Figure 5. Gold Project Locations

The Company through its 100% owned subsidiary Golden Cliffs NL has a number of gold assets in the Leonora Laverton region (Refer Gold Project Locations plan). The substantial increase in gold price over the past year has raised the priority of these assets. In particular the Fairfield mine, the Company's most advanced gold asset near Laverton has potential to be developed as small profitable open pit operation.

Fairfield Project - Laverton Downs

A review of the project has highlighted the potential to develop a moderate grade open pit operation. The Fairfield mine is located on a granted mining lease and is in proximity of numerous operating processing plants. The Company has reported an exploration target for Fairfield project and intends to commence further RC drilling to upgrade the exploration target to a JORC compliant resource so that scoping study can be completed.

Mineralised zones have been delineated over a strike length of 225 m and envelop two medium to high-grade lodes at the northern and southern ends. Historical drill hole intercepts returned from the north lode include (refer figure 1 drill sections and figure 2 mineralised zones) (ASX Announcement 16 June 2020):

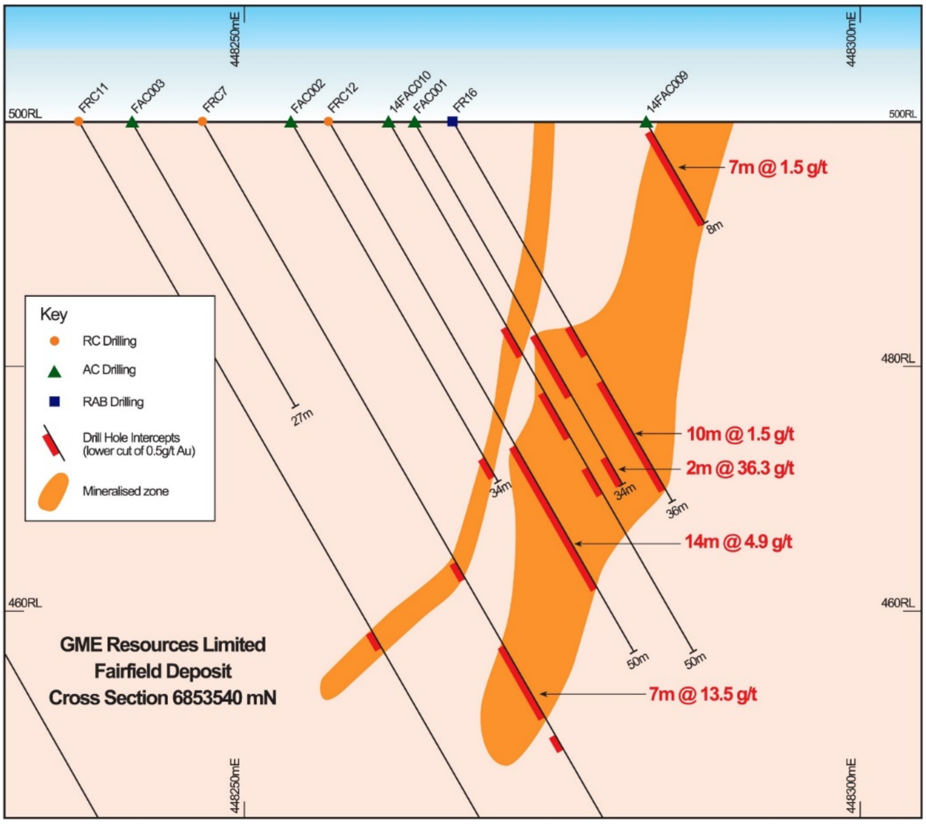
- 7 m @ 13.5 g/t Au from 49 m in hole FRC7 including 4 m @ 22.7 g/t from 49 m.

- 14 m @ 4.9 g/t Au from 30 m in hole FRC12 including 1 m @ 46.6 g/t from 35 m and 2 m @ 8.4 g/t from 42 m.

Fairfield Project – Exploration Target (Refer to ASX announcement 16 June 2020)

Range Level	Tonnage	Gold Grade	Approximate contained ozs
Exploration Target-Lower	90 Kt	2 g/t	6 Koz
Exploration Target-Upper	135Kt	3 g/t	13.5 Koz

The potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource in this area and it is uncertain if further exploration will result in the estimation of a Mineral Resource.



(*note only intercepts greater than 10 g X metres annotated*)

Figure 6: Cross Section for 6,853,540mN Fairfield Project

The Exploration Target was determined from 3D modelling of two mineralisation zones interpreted from historical drilling and preliminary surface mapping of historical workings (Figure 7). 3D mineralisation solids/zones were interpreted using a nominal 0.5 g/t lower cut and up to 3 m of internal dilution. Gold grade was determined from the weighted average of drill hole intercepts contained within the 3D solids and the application of a 40 g/t upper cut. Tonnes are estimated using a bulk density of 1.7. Confidence in the supporting data is such that a level of uncertainty of ± 20% has been applied to tonnes and grade to derive the Exploration Target ranges.

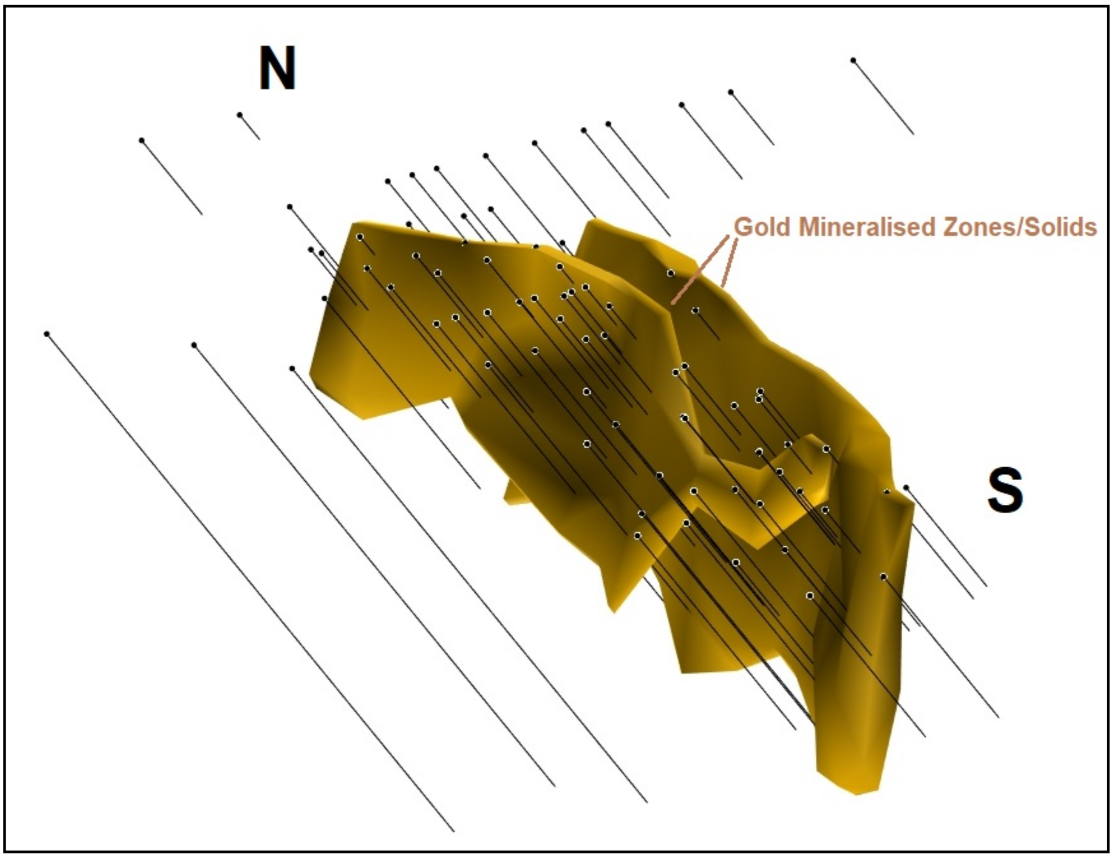


Figure 7: Interpreted 3D Gold Mineralised Zones/Solids & Drill Hole Coverage – Fairfield Project

Abednego Project

The Abednego project located 50 kilometres east of Leonora covering approximately 16 km2. The area is prospective for gold and base metals. Previous exploration drilling has focused on gold mineralisation over the Federation Well Gold workings and the Sonex gold anomaly.

Previous air core drilling has tested the north-northeast trending Federation Shear Zone which is associated with steeply, east southeast dipping quartz veins (refer ASX Announcement 7 July 2014). Drilling results from this program identified a broad, shallow moderately mineralised structure over 500 metres of strike that is open in all directions. Further drilling programs are planned over the current year to advance and upgrade the project.

High lights from previous air core drilling at Federation Well is listed in the table below.

Table 4. Aircore drilling results - Federation Gold Prospect

Hole_ID	MGA_E	MGA_N	mFrom	mTo	Metres	Au Intercept
14FDAC001	380292.5	6809978	9	16	7	7m @ 0.77 ppm
14FDAC001	380292.5	6809978	19	20	1	1m @ 0.73 ppm
14FDAC002	380310.4	6809997	22	32	10	10m @ 1.91 ppm
14FDAC002	380310.4	6809997	35	37	2	2m @ 1.35 ppm
14FDAC003	380315.8	6810016	15	28	13	13m @ 1.73 ppm
14FDAC004	380323	6810046	10	21	11	11m @ 1.14 ppm
14FDAC005	380339.4	6810069	8	9	1	1m @ 1.37 ppm
14FDAC005	380339.4	6810069	13	22	9	9m @ 1.05 ppm
14FDAC005	380339.4	6810069	33	37	4	4m @ 0.99 ppm
14FDAC006	380353.5	6810088	4	5	1	1m @ 0.72 ppm
14FDAC006	380353.5	6810088	38	48	10	10m @ 1.99 ppm
14FDAC007	380360.6	6810109	21	24	3	3m @ 1.24 ppm
14FDAC008	380372	6810133	9	16	7	7m @ 2.01 ppm
14FDAC008	380372	6810133	28	32	4	4m @ 0.97 ppm
14FDAC008	380372	6810133	44	48	4	4m @ 1.66 ppm
14FDAC009	380381.1	6810157	23	25	2	2m @ 8.21 ppm
14FDAC009	380381.1	6810157	31	33	2	2m @ 1.09 ppm
14FDAC009	380381.1	6810157	38	39	1	1m @ 1.04 ppm
14FDAC010	380393.1	6810178	6	7	1	1m @ 3.55 ppm
14FDAC010	380393.1	6810178	32	33	1	1m @ 1.21 ppm
14FDAC010	380393.1	6810178	37	38	1	1m @ 1.20 ppm
14FDAC012	380388.9	6810209	8	10	2	2m @ 1.03 ppm
14FDAC013	380416.2	6810223	37	38	1	1m @ 1.01 ppm
14FDAC014	380436.9	6810247	32	36	4	4m @ 0.90 ppm
14FDAC014	380436.9	6810247	42	50	8	8m @ 1.49 ppm
14FDAC016	380455.5	6810289	0	1	1	1m @ 0.71 ppm
14FDAC016	380455.5	6810289	23	24	1	1m @ 2.89 ppm
14FDAC017	380462.6	6810312	20	24	4	4m @ 2.13 ppm
14FDAC018	380470.9	6810338	5	10	5	5m @ 1.37 ppm
14FDAC018	380470.9	6810338	19	20	1	1m @ 2.75 ppm
14FDAC018	380470.9	6810338	26	27	1	1m @ 1.86 ppm
14FDAC018	380470.9	6810338	31	43	12	12m @ 0.85 ppm
14FDAC019	380492	6810355	23	38	15	15m @ 0.88 ppm
14FDAC020	380493.3	6810382	39	40	1	1m @ 1.27 ppm
14FDAC021	380497.3	6810407	4	6	2	2m @ 1.40 ppm

The drill hole plan and cross sections of mineralisation at various positions along the structure are shown in the following graphics.

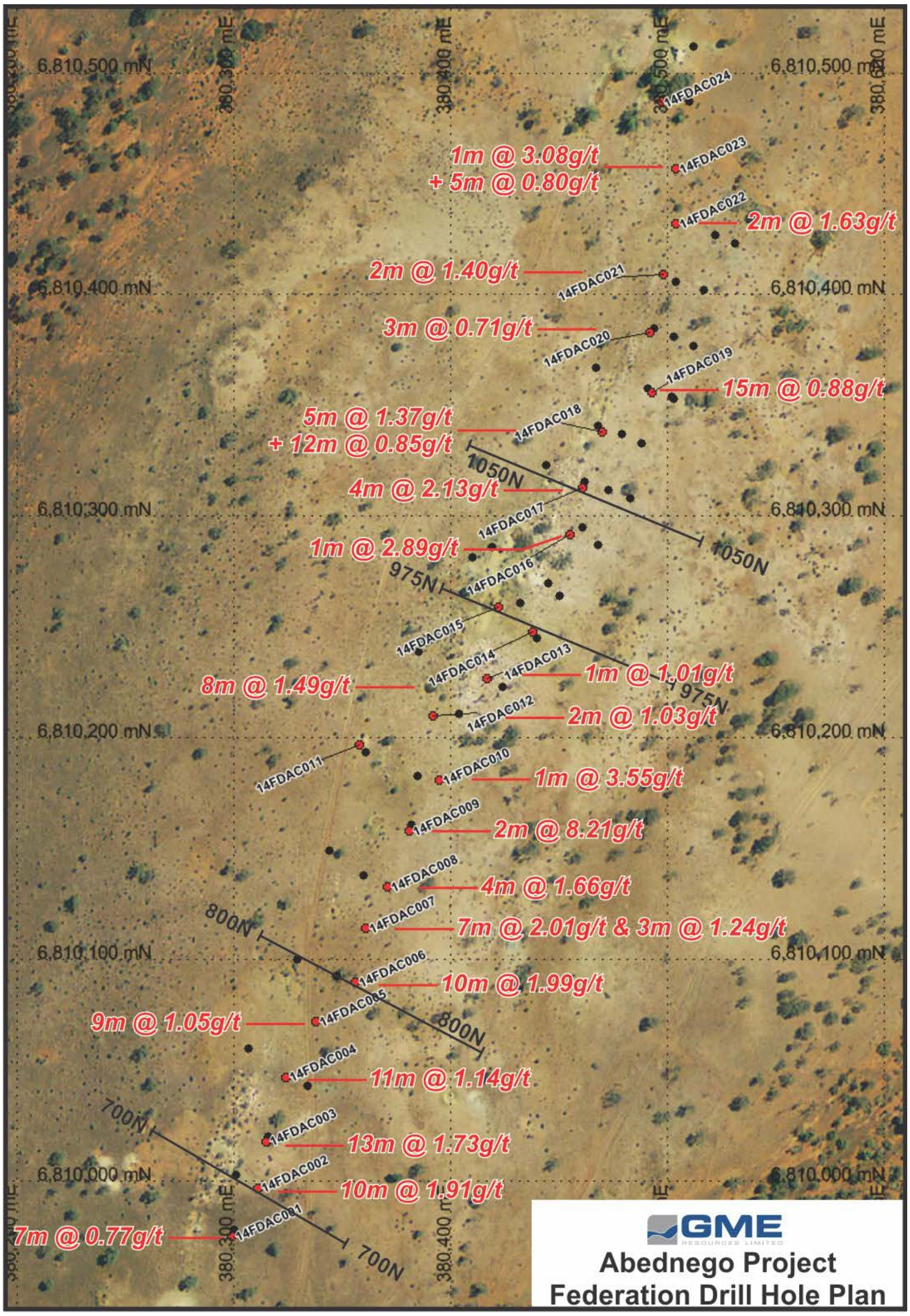


Figure 8. Federation Drill Hole Plan

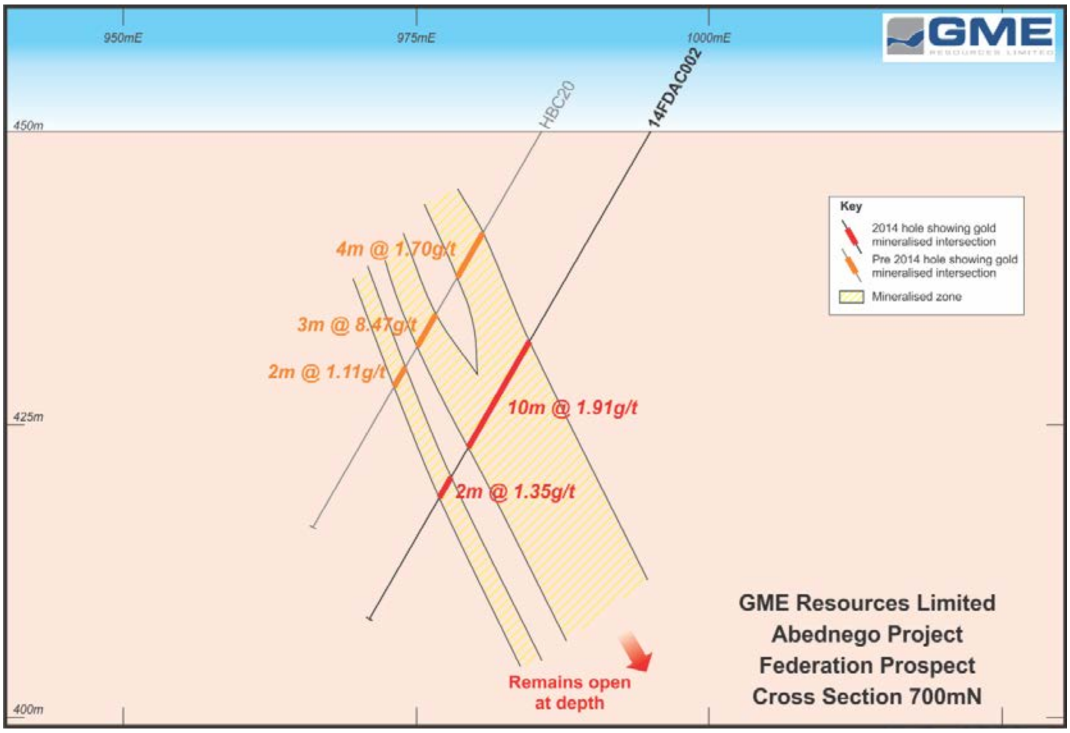


Figure 9. Federation Prospect Cross Section 700mN

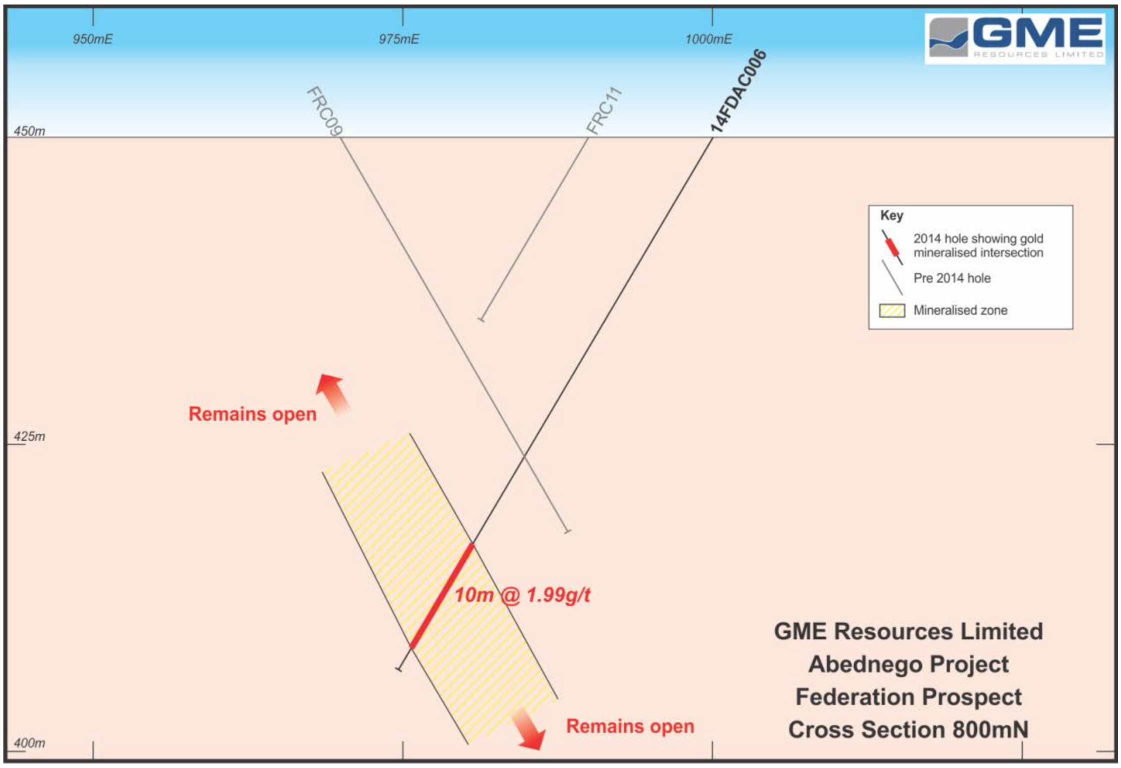


Figure 10. Federation Prospect Cross Section 800mN

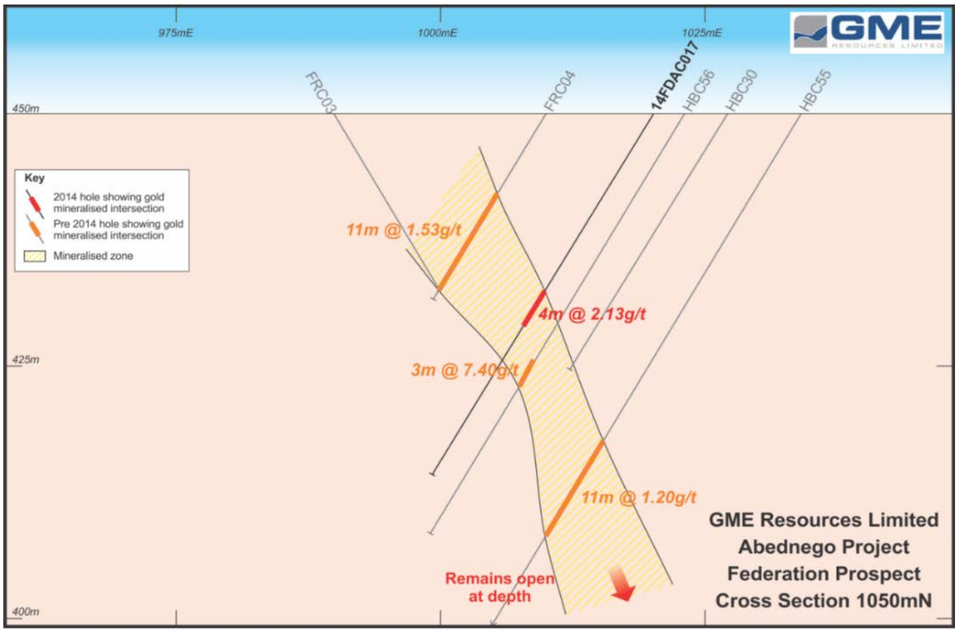


Figure 11. Federation Prospect Cross Section 1050mN

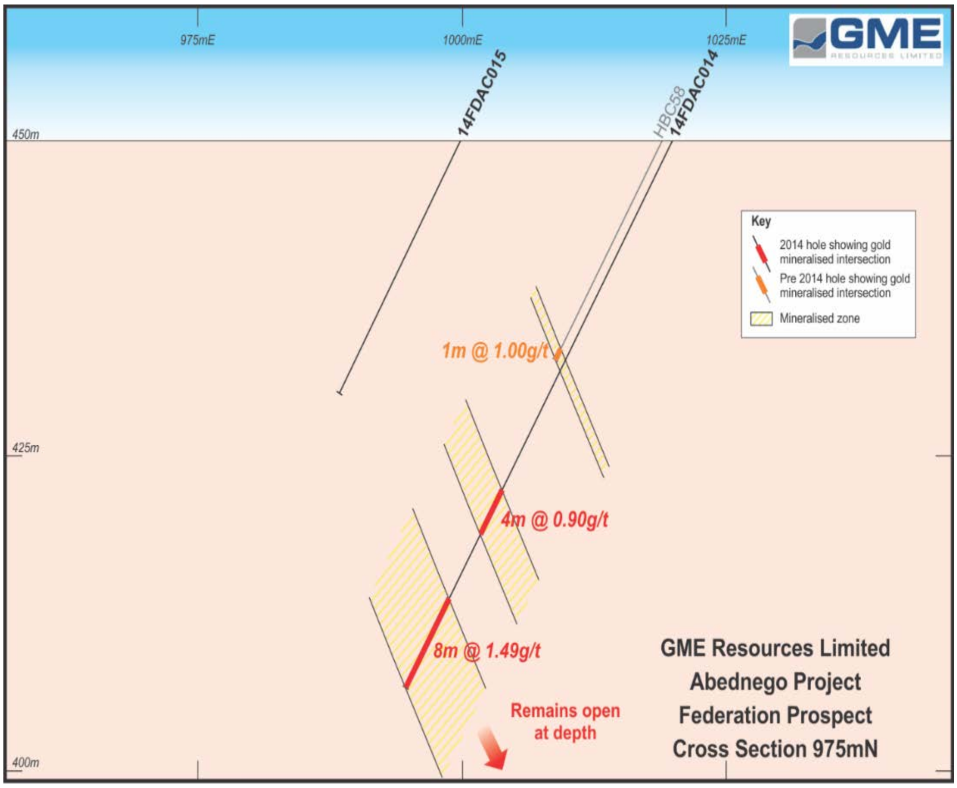


Figure 12. Federation Prospect Cross Section 975mN

Company Funding

Subsequent to the end of the financial year, on 3 July 2020 the Company announced that it was undertaking a 1:10 Renounceable Entitlement Issue at 3 cents per share, to raise up to approximately A$1.5 million.

The offer was well supported by shareholders with 80% of entitlements taken up. The shortfall of $293,000 was subsequently placed with sophisticated investors. Funds from the issue will be used to continue dialogue with potential strategic partner/offtake parties on development options of the Company's 100%-owned NiWest Nickel-Cobalt Project. Funds will also be allocated to advance the Company's gold assets and for general working capital purposes. The Company now has 556,866,930 fully paid shares on issue.

Competent Persons Statement

The information in this report that relates to the Exploration Target and prior Exploration Results is based on information compiled or Reviewed by Messrs Mark Gunther & Tony Standish who are members of The Australasian Institute of Geoscientists. Messrs Gunther & Standish are Consultants with Eureka Geological Services. Messrs Gunther & Standish have sufficient experience, which is relevant to the style of mineralization and type of Project under consideration and to the activity which they are 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. Messrs Gunther & Standish consents to the inclusion in the report of the matters based on information provided in the form and context in which it appears.

Where the Company refers to an ASX Announcement made on 2 August 2018 noting the Pre-feasibility Study completed on the NiWest Nickel-Cobalt Project it confirms that it is not aware of any new information or data that materially effects the information included in that announcement and all material assumptions and technical parameters continue to apply and have not materially changed.

Forward-Looking Statements

Certain statements made in this report, including, without limitation, those concerning the Pre-Feasibility 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.

ANNUAL MINERAL RESOURCE STATEMENT

Mineral Resources

The Company's Mineral Resource Statement (Table 1 and Table 2) has been compiled in accordance with the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code 2012 Edition) and Chapter 5 of the ASX Listing Rules and ASX Guidance Note 31.

There has been no material change to the Mineral Resource Estimate since that completed on 2 August 2018. The Mineral Resource Estimate[1] for the NiWest Project is 85.2Mt at 1.03% Ni and 0.065% cobalt at a 0.8% Ni cut-off (refer to Table 1).

Table 5: Mineral Resource Estimate[1,2] for NiWest Project at 0.8% Ni Cut-off Grade

Deposit	JORC Classification	Tonnes (million)	Nickel Grade (%)	Cobalt Grade (%)	Nickel Metal (kt)	Cobalt Metal (kt)
Mt Kilkenny[1]	Measured	8.8	1.11	0.063	98	5.6
	Indicated	12.7	1.09	0.079	138	10.0
	Inferred	4.5	0.98	0.051	44	2.3
	Total*	26.0	1.08	0.069	279	17.9
Eucalyptus[1]	Indicated	23.7	1.04	0.064	247	15.3
	Inferred	12.8	0.95	0.056	121	7.1
	Total*	36.5	1.01	0.061	368	22.4
Hepi[1]	Measured	1.6	1.20	0.078	19	1.2
	Indicated	1.5	1.01	0.073	15	1.1
	Inferred	1.4	0.95	0.074	14	1.1
	Total*	4.5	1.06	0.075	48	3.4
Mertondale[2]	Indicated	1.9	0.98	0.070	18	1.3
	Total*	1.9	0.98	0.070	18	1.3
Waite Kauri[2]	Measured	1.5	1.01	0.062	15	0.9
	Indicated	0.3	0.91	0.025	3	0.1
	Inferred	0.0	0.09	0.015	0	0.0
	Total*	1.8	0.98	0.054	18	1.0
Murrin North[2]	Measured	3.4	0.98	0.062	33	2.1
	Indicated	0.1	0.88	0.051	1	0.1
	Inferred	0.1	0.86	0.083	1	0.1
	Total*	3.7	0.97	0.062	35	2.3
Wanbanna[2]	Indicated	10.1	1.03	0.066	104	6.7
	Inferred	0.7	0.99	0.070	7	0.5
	Total*	10.8	1.03	0.066	111	7.2
NiWest Project	Measured	15.2	1.08	0.064	165	9.8
	Indicated	50.4	1.04	0.068	527	34.5
	Inferred	19.5	0.95	0.057	186	11.0
	TOTAL*	**85.2**	**1.03**	**0.065**	**878**	**55.4**

** Columns may not total exactly due to rounding errors. Tonnages are reported as dry tonnage*
1 ASX Release 2 August 2018
2 ASX Release 21 February 2017

Review of Material Changes

The maiden Ore Reserve Statement for the NiWest Nickel-Cobalt Project was released on 2 August 2018 (ASX announcement).

Mine planning consultants, Perth Mining Consultants Pty Ltd, were engaged to complete the ore reserve estimate for the three nickel cobalt laterite deposits (Eucalyptus, Hepi, Mt Kilkenny) which were incorporated in the NiWest PFS 2018.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcement and pertaining to the Eucalyptus, Hepi and Mt Kilkenny deposits, and that all related material assumptions and technical parameters have not materially changed. The Company confirms that the form and context in which the Competent Person's findings pertaining to the Eucalyptus, Hepi and Mt Kilkenny orebodies are presented have not materially changed from the original market announcement.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcement (21 February 2017) pertaining to the Murrin North, Waite Kauri, Mertondale and Wanbanna deposits, and that all related material assumptions and technical parameters have not materially changed. The Company confirms that the form and context in which the Competent Person's findings pertaining to the Murrin North, Waite Kauri, Mertondale and Wanbanna deposits are presented have not materially changed from the original market announcement.

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.

ANNUAL ORE RESERVE STATEMENT

The Company's Ore Reserve Statement has been compiled in accordance with the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code 2012 Edition) and Chapter 5 of the ASX Listing Rules and ASX Guidance Note 31.

On 2 August 2018 the maiden NiWest Ore Reserve Estimate of 64.9Mt at 0.91% Ni and 0.06% Co (for 592kt contained nickel and 38kt contained cobalt) was released. This is based on a 0.5% Ni cut-off grade (refer Table 2).

Table 6: NiWest Ore Reserve Estimate[1] at 0.5% Ni cut-off

Orebody	JORC Classification	Tonnes (million)	Nickel Grade (%)	Cobalt Grade (%)
Mt Kilkenny	Probable	27.9	0.96	0.06
Eucalyptus	Probable	32.2	0.87	0.05
Hepi	Probable	4.7	0.91	0.06
Total	Probable	64.9	0.91	0.06

* Columns may not total exactly due to rounding errors. Tonnages are reported as dry tonnage

[1] ASX Release 2 August 2018

Review of Material Changes

The maiden Ore Reserve Statement for the NiWest Nickel-Cobalt Project was released on 2 August 2018 (ASX announcement).

Mine planning consultants, Perth Mining Consultants Pty Ltd, were engaged to complete the ore reserve estimate for the three nickel cobalt laterite deposits (Eucalyptus, Hepi, Mt Kilkenny) which were incorporated in the NiWest PFS 2018.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcement and pertaining to the Eucalyptus, Hepi and Mt Kilkenny deposits, and that all related material assumptions and technical parameters have not materially changed. The Company confirms that the form and context in which the Competent Person's findings pertaining to the Eucalyptus, Hepi and Mt Kilkenny orebodies are presented have not materially changed from the original market announcement.

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 Resource Statement that relates to Minerals Resources and Ore Reserves is based on, and fairly represents, information and supporting documentation compiled by Mark Gunther who is a member of the Australasian Institute of Geoscientists. Mr Gunther is a Principal Consultant with Eureka Geological Services. He has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Ore Reserves. Mr Gunther consents to the inclusion in this report of the matters based on information provided in the form and context in which they appear.

TENEMENT SCHEDULE

Tenement Summary as at 30 June 2020

Project	Tenements	Interest Beginning Period	Interest End Period
Abednego West	M39/427, M39/0825 P39/5927	Golden Cliffs 100%	Golden Cliffs 100% NiWest 100%
Eucalyptus	M39/744 M39/289, M39/430, M39/344 M39/666 M39/674 M39/313, M39/568 M39/802 - 803 P39/5459 E39/1860 P39/5962	NiWest Ni Co Rights NiWest 100% NiWest 100% NiWest 100% NiWest 100% NiWest 100% NiWest 100% NiWest 100%	NiWest Ni Co Rights NiWest 100% NiWest 100% NiWest 100% NiWest 100% NiWest 100% NiWest 100% NiWest 100%
Hawks Nest	M38/218	Golden Cliffs 100%	Golden Cliffs 100%
Hepi	M39/717 - 718, M39/819, P39/5813 P39/6032	NiWest 100% NiWest 100%	NiWest 100% NiWest 100%
Laverton Downs	M38/1266	Golden Cliffs 100%	Golden Cliffs 100%
Mertondale	M37/591	NiWest 100%	NiWest 100%
Mt Kilkenny	M39/878 – 879, E39/1784 E39/1794, EL39/2072	NiWest 100% NiWest 100% NiWest 100%	NiWest 100% NiWest 100% NiWest 100%
Murrin Murrin	M39/426, M39/456, M39/552, M39/553, M39/569	GlenMurrin 100% Nickel & Cobalt Golden Cliffs 100% gold and other minerals	GlenMurrin 100% Nickel & Cobalt Golden Cliffs 100% gold and other minerals
Murrin North	M39/758	NiWest 100%	NiWest 100%
Waite Kauri	M37/1216 M 37/1334	NiWest 100% NiWest 100%	NiWest 100% NiWest 100%
Wanbanna	M39/460	NiWest 80% / 20% Wanbanna Pty	NiWest 80% / 20% Wanbanna Pty Ltd
Misc. Licences	L37/175 L39/293, L37/247 L39/215, L39/177, L37/205	NiWest 100% NiWest 100%	NiWest 100% NiWest 100%

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

All of the above tenements and miscellaneous licences are in the Eastern Goldfields of Western Australia.

Your Directors present their report of GME Resources Limited and its controlled entities ("Group") for the financial year ended 30 June 2020. 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)

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 activity of the Group is mineral exploration.
No significant change in the nature of this activity occurred during the year.

Operating Results

The net loss after income tax attributable to members of the Company for the financial year to 30 June 2020 amounted to $237,305 (2019: $277,265).

At the end of the financial year the Group had $132,485 (2019: $1,264,607) in cash and at call deposits. Net assets of $32,217,605 (2019: $32,454,910) were comprised mainly of carried forward exploration and evaluation expenditure of $32,184,260 (2019: $31,247,420).

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 7 August 2020, the Company announced that pursuant to pro-rata renounceable entitlement offer (the offer), it had allotted 40,846,059 ordinary fully paid shares at an issue price of $0.03 per share to raise approximately $1.23 million before costs. A shortfall of 9,777,951 shares from the offer, was placed on 26 August 2020 raising a further $290,000.

The impact of the Coronavirus (COVID-19) pandemic is ongoing. The situation is rapidly developing and is dependent on measures imposed by the Australian Government, United States government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided. It is not practicable to estimate the potential impact, positive or negative, after the reporting date.

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.

Overview of Operating Activity

NiWest Nickel Cobalt Project

The NiWest Nickel Cobalt laterite Project hosts one of the highest-grade undeveloped nickel laterite resources in Australia estimated to contain 81 million tonnes averaging 1.03% Nickel and 0.06% Cobalt. (Refer ASX announcement NiWest Resource Update 21 Feb 2017, refer Appendix 1). Over 75% of the resource falls within the Indicated and Measured categories.

The Company has completed extensive testing on a novel development approach that focuses on a fully integrated process flow sheet commencing with Heap Leaching of the ore followed by Direct Solvent Extraction (DSX) for the removal of impurities through to refining pure nickel sulphates and cobalt carbonate suitable for the high growth lithium-ion battery market.

A Prefeasibility Study completed in September 2018 indicated a capital requirement of A$900m and operating costs of US$ 3.24/lb nickel based on production of 456kt nickel and 31.4kt cobalt over a 27-year mine life.

The Company remains committed to unlocking the value of its flagship asset, the NiWest project. Despite being faced with difficult market conditions bought on by low nickel prices and the onset of the global COVID-19 pandemic the Company remains optimistic that a strategic partner will emerge. In the meantime, the Company has implemented a number of measures aimed at driving down the operational and holding costs associated with the project. The Company has applied for and been granted 5-year exemptions on annual DMIRS expenditure on a number of project areas. Additional project areas are under review and will be considered for similar exemption applications in the future.

Field work has been reduced for the time being with the exception of tenement survey work that was completed during the reporting period.

GOLD PROJECTS

The Fairfield Prospect is located 20 km north-northeast of Laverton townsite in the North Eastern Goldfields, Western Australia. Following a geological review of the Fairfield Project during the year, the Company reported the delineation of an exploration target at the prospect (Refer ASX Announcement 16 June 2020).

Future Work

Further work is planned to upgrade the exploration target to a JORC compliant resource and complete preliminary evaluation of options to monetise the asset through the development of open pit operation with ore processing to be undertaken at a third-party plant within the region.

The Company has been reviewing its remaining gold assets which comprise three gold projects in the Murrin Murrin – Laverton region. The projects are all at various stages of exploration. The focus of the current work has been at the historical gold working around the Fairfield gold deposit at Laverton Downs. Drill hole data validation and correction is in progress and modelling and internal studies will be undertaken to examine the potential of the project.

Information on Directors and Company Secretary

Peter Ross Sullivan BE, MBA
(Non-executive Director)
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, Zeta Resources Limited since June 2013, Panoramic Resources Ltd since October 2015 and Horizon Gold Limited since July 2020.

Former directorships of listed companies in last 3 years –
Pan Pacific Petroleum NL September 2014 – April 2018; Bligh Resources Ltd from 13 July 2017 to 13 August 2019.

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 – Horizon Gold Limited since April 2020.
Former directorships of listed companies in last 3 years –
Bligh Resources Ltd from 13 July 2017 to 13 August 2019.

Peter Ernest Huston B. Juris, LLB (Hons), B.Com, LLM
Mr Peter Huston was appointed as a Non-executive Director in March 2017. Previously he spent 12 years as a Partner in the law firm now known as Norton Rose and over 10 years as a Director in boutique private equity at Troika Securities Limited. Mr Huston advised principally in the area of corporate litigation, mergers, acquisitions, takeovers and public listings. He has been involved in a number of significant and well-known corporate transactions and continues as a private adviser to a discrete number of substantial corporations, partnerships and family offices. Mr Huston holds a Bachelor of Jurisprudence, Bachelor of Laws (Honours), Bachelor of Commerce, Master of Laws and is admitted to practice in the Supreme Court, Federal Court and High Court of Australia.

Other current directorships of listed companies - none
Former directorships of listed companies in last 3 years – none.

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

REMUNERATION REPORT (AUDITED)

The remuneration report is set out in the following manner:

- Policies used to determine the nature and amount of remuneration
- Key Management Personnel
- Service agreements
- Share based compensation
- Details of remuneration
- Key Management Personnel interests
- Other transactions with Key Management Personnel
- Loans to/from 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 executives which include performance-based components. The Company does not operate an employee share option plan.

Details of Key Management Personnel (KMP)

Directors

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

Executives

Mark Edward Pitts	Company Secretary

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 the Directors' Report and at the end of the financial year are:

2020

Director	Ordinary Shares Opening Balance	Ordinary Shares at the end of the financial year	Net Change	Ordinary Shares at the date of the Directors Report
Peter R Sullivan	32,879,992	32,879,992	3,287,998	36,167,990
James N Sullivan	25,635,972	25,635,972	2,563,596	28,199,568
Peter E Huston	43,244,810	43,244,810	4,324,480	47,569,290
Mark E Pitts	-	-	-	-

Other transactions with KMP

During the year, the Group paid $23,225 (2019: $21,750) for commercial rent and outgoings 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 2020 was $11,480 (2019: $Nil).

In addition to the fees paid to Mark Pitts for Company Secretarial Services, the Company also paid $25,594 (2019: $17,618) to Endeavour Corporate, of which Mark Pitts is a partner, for accounting services.

The Company has an amount payable of $9,006 (2019 $6,944) to Endeavour Corporate as at 30 June 2020.

The Company has an amount payable of $33,000 (2019: $33,000) to Hardrock Capital Pty Ltd, a company of which Peter Sullivan is a director, in relation to Directors' fees.

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, 2 meetings of directors was held. Attendances were:

Name	Number Eligible to Attend	Number Attended
Peter R Sullivan	2	2
James N Sullivan	2	2
Peter E Huston	2	2

Interest in the shares of the company and related bodies corporate

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.

Proceedings on behalf of the Company

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

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 13 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 2020.

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

James Sullivan

Managing Director

Perth, Western Australia

24th September 2020

HLB MANN JUDD
ADVISORY AND ACCOUNTING

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 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

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

Perth, Western Australia
24 September 2020

M R Ohm
Partner

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849
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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	Note	Consolidated 2020 $	Consolidated 2019 $
Revenue			
Other income	2(a)	144,613	130,063
		144,613	130,063
Depreciation and amortisation expense	5/7	(52,128)	(1,762)
Impairment of exploration and evaluation expenditure	6	(187,604)	(589,141)
Management and consulting fees		(110,000)	(114,000)
Administration expenses	2(b)	(281,501)	(412,335)
Results from operating activities		(486,620)	(987,175)
Financial income		648	3,130
Financial expense		(2,213)	-
Net financing (expense)/income		(1,565)	3,130
Loss before income tax		(488,185)	(984,045)
Income tax benefit	3	250,880	706,780
Loss for the year		(237,305)	(277,265)
Other comprehensive income		-	-
Total comprehensive loss for the year		(237,305)	(277,265)
Basic loss per share (cents per share)	15	(0.05)	(0.06)
Diluted loss per share (cents per share)		(0.05)	(0.06)

The accompanying notes form part of this financial statement.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	Consolidated 2020 $	Consolidated 2019 $
CURRENT ASSETS			
Cash and cash equivalents	12(b)	132,485	1,264,607
Trade and other receivables	4	26,650	18,062
Prepayments		10,302	22,495
TOTAL CURRENT ASSETS		169,437	1,305,164
NON-CURRENT ASSETS			
Trade and other receivables	4	20,301	17,290
Plant and equipment	5	40,545	2,138
Deferred exploration and evaluation expenditure	6	32,184,260	31,247,420
Right of use assets	7	89,280	-
TOTAL NON-CURRENT ASSETS		32,334,386	31,266,848
TOTAL ASSETS		32,503,823	32,572,012
CURRENT LIABILITIES			
Trade and other payables	8	187,517	117,102
Payroll liabilities		8,606	
Lease liabilities	9	45,092	-
TOTAL CURRENT LIABILITIES		241,215	117,102
NON-CURRENT LIABILITIES			
Lease liabilities	9	45,003	-
TOTAL NON-CURRENT LIABILITIES		45,003	
TOTAL LIABILITIES		286,218	117,102
NET ASSETS		32,217,605	32,454,910
EQUITY			
Issued capital	10	56,640,810	56,640,810
Accumulated losses		(24,423,205)	(24,185,900)
TOTAL EQUITY		32,217,605	32,454,910

The accompanying notes form part of this financial statement.

CONSOLIDATED	Note	Issued Capital	Accumulated Losses	Total
		$	$	$
Balance at 1 July 2018		55,340,239	(23,908,635)	31,431,604
Loss for the year		-	(277,265)	(277,265)
Total comprehensive loss for the year		-	(277,265)	(277,265)
Transaction with owners in their capacity as owners				
Shares issued net of costs		1,300,571	-	1,300,571
Balance at 30 June 2019		56,640,810	(24,185,900)	32,454,910
Loss for the year		-	(237,305)	(237,305)
Total comprehensive loss for the year		-	(237,305)	(237,305)
Transaction with owners in their capacity as owners				
Shares issued net of costs		-	-	-
Balance at 30 June 2020		56,640,810	(24,423,205)	32,217,605

The accompanying notes form part of this financial statement.

	Note	Consolidated	
		2020	**2019**
		$	**$**
Cash flows from operating activities			
Payments to suppliers and employees		(330,714)	(554,829)
Interest received		635	3,130
Research and development tax offset		250,880	706,780
Proceeds from royalty and facilitation fee		100,000	100,000
Rent received – sub-lease		12,340	-
Government subsidies received		32,273	-
Proceeds from sale of Gold Project		-	100,000
Net cash inflow/(outflow) from operating activities	12(a)	65,414	355,081
Cash flows from investing activities			
Payment for acquisition of plant and equipment		(41,589)	-
Security bonds deposited		(3,000)	-
Payments for exploration and evaluation		(1,104,816)	(2,126,499)
Net cash outflow from investing activities		(1,149,405)	(2,126,499)
Cash flows from financing activities			
Reduction in lease liability		(48,131)	-
Proceeds from issue of shares		-	1,325,648
Payment of costs associated with issue of shares		-	(25,077)
Net cash inflow/(outflow) from financing activities		(48,131)	1,300,571
Net increase/(decrease) in cash and cash equivalents		(1,132,122)	(470,847)
Cash and cash equivalents held at the start of the year		1,264,607	1,735,454
Cash and cash equivalents held at the end of the year	12(b)	132,485	1,264,607

The accompanying notes form part of this financial statement.

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 2020 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.

(b) Adoption of new and revised standards

In the year ended 30 June 2020, 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 material impact, with the exception of AASB16 below, of the new and revised Standards and Interpretations on the entity and, therefore, no change is necessary to Group accounting policies.

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the year ended 30 June 2020. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group 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 2020 and concluded there will be no material impact to the Group.

AASB 16 Leases

AASB 16 Leases supersedes AASB 117 Leases. The Group has adopted AASB 16 from 1 July 2019 which has resulted in changes in the classification, measurement and recognition of leases. The changes result in almost all leases where the Group is the lessee being recognised on the Statement of Financial Position and removes the former distinction between 'operating and 'finance' leases. The new standard requires recognition of a right-of-use asset (the leased item) and a financial liability (to pay rentals). The exceptions are short-term leases and leases of low value assets.

The Group has adopted AASB 16 using the modified retrospective approach under which the reclassifications and the adjustments arising from the new leasing rules are recognised in the opening Condensed Statement of Financial Position on 1 July 2019. Under this approach, there is no initial Impact on retained earnings under this approach, and comparatives have not been restated.

The Group leases various premises, plant and equipment. Prior to 1 July 2019, leases were classified as operating leases. Payments made under operating leases were charged to profit or loss on a straight-line basis over the period of the lease.

1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

(b) Adoption of new and revised standards (continued)

AASB 16 Leases (continued)

From 1 July 2019, where the Company is a lessee, the Group recognises a right-of-use asset and a corresponding liability at the date which the lease asset is available for use by the Group (i.e. commencement date). Each lease payment is allocated between the liability and the finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a consistent period rate of interest on the remaining balance of the liability for each period.

The lease liability is initially measured at the present value of the lease payments that are not paid at commencement date, discounted using the rate implied in the lease. If this rate is not readily determinable, the Group uses its incremental borrowing rate.

Lease payments included in the initial measurement if the lease liability consist of:

- Fixed lease payments less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at commencement date;
- Any amounts expected to be payable by the Group under residual value guarantees;
- The exercise price of purchase options, if the Group is reasonably certain to exercise the options; and
- Termination penalties of the lease term reflects the exercise of an option to terminate the lease.

Extension options are included in a number of property leases across the Group. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if, at commencement date, it is reasonably certain that the options will be exercised.

Subsequent to initial recognition, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The lease liability is remeasured (with a corresponding adjustment to the right-of-use asset) whenever there was a change in the lease term (including assessments relating to extension and termination options), lease payments due to changes in an index or rate, or expected payments under guaranteed residual values.

Right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before commencement date, less any lease incentives received and any initial direct costs. These right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Where the terms of a lease require the Group to restore the underlying asset, or the Group has an obligation to dismantle and remove a leased asset, a provision is recognised and measured in accordance with AASB 137. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset.

Right-of-use assets are depreciated on a straight-line basis over the term of the lease (or the useful life of the leased asset if this is shorter). Depreciation starts on commencement date of the lease.

Where leases have a term of less than 12 months or relate to low value assets, the Group has applied the optional exemptions to not capitalise these leases and instead account for the lease expense on a straight-line basis over the lease term.

1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

(b) Adoption of new and revised standards (continued)

AASB 16 Leases (continued)

Impact on adoption of AASB 16

On adoption of AASB 16, the Group recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of AASB 117. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 July 2019. The weighted average lessee's incremental borrowing rate applied to lease liabilities on 1 July 2019 was 5%.

On initial application, right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Statement of Financial Position as at 30 June 2019.

In the Consolidated Statement of Cash Flows, the Group has recognised cash payments for the principal portion of the lease liability within financing activities, cash payments for the interest portion of the lease liability as interest paid within operating activities and short-term lease payments and payments for lease of low-value assets within operating activities.

The adoption of AASB 16 resulted in the recognition of right-of-use assets of $138,226 and lease liabilities of $138,226 in respect of all operating leases, other than short-term leases and leases of low-value assets.

The net impact on retained earnings on 1 July 2019 was nil. (Refer Note 9).

(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 Directors have assessed the exploration and evaluation costs in accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources,* and believe there are no indicators for impairment.

Supporting the view that no impairment indicators are present, the NiWest PFS has confirmed the technical and financial robustness of a long-life operation directly producing high-purity nickel and cobalt sulphate products to be delivered into the forecast rapid growth of lithium-ion battery raw material markets.

The 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 economic assumptions and outcomes:

- Life-of-mine price estimates of US$8.00/lb nickel (includes US$0.75/lb sulphate premium) and US$25/lb cobalt (zero sulphate premium). A$/US$ assumption of 0.75.
- Ungeared post-tax NPV8% of A$791M and internal rate of return (IRR) of 16.2% (equivalent pre-tax values of A$1,390M and 21.2%, respectively). Payback period (pre-tax) of 4.4 years.
- Average cash unit operating cost (post royalties and cobalt credits) of US$3.24/lb contained nickel (US$3.00/lb for the first 15 years).

1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

(c) Critical accounting judgements and key estimates (continued)

- Forecast pre-production capital expenditure of A$966M, representing a globally attractive preproduction capital intensity of sub-US$20 per pound of average annual nickel production.
- Projected free cashflow (post all capital expenditure and tax) of A$3,342M.

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

A review of the water licenses was undertaken during the year and accumulated costs of $187,604 relating to the licenses surrendered were written off.

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

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 2019.

(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 loss of $237,305, and a net cash outflow of $1,132,122 for the year ended 30 June 2020 and at balance date, had net current liabilities of $71,778.

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 24th September 2020.

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).

1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

(f) Basis of consolidation

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

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

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

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

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

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

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

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

Changes in the Group's ownership interest in existing subsidiaries

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

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

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

1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

(f) Basis of consolidation (continued)

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 from contracts with customers

Revenue arises mainly from the receipt of facilitation fees. The Group generates revenue in Australia.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

The revenue and profits recognised in any period are based on the delivery of performance obligations and an assessment of when control is transferred to the customer.

In determining the amount of revenue and profits to record, and related balance sheet items (such as contract fulfilment assets, capitalisation of costs to obtain a contract, trade receivables, accrued income and deferred income) to recognise in the period, management is required to form a number of key judgements and assumptions. This includes an assessment of the costs the Group incurs to deliver the contractual commitments and whether such costs should be expensed as incurred or capitalised.

Revenue is recognised either when the performance obligation in the contract has been performed, so 'point in time' recognition or 'over time' as control of the performance obligation is transferred to the customer.

Transaction price

At contract inception the total transaction price is estimated, being the amount to which the Group expects to be entitled and has rights to under the present contract.

The transaction price does not include estimates of consideration resulting from change orders for additional goods and services unless these are agreed.

Once the total transaction price is determined, the Group allocates this to the identified performance obligations in proportion to their relative stand-alone selling prices and recognises revenue when (or as) those performance obligations are satisfied.

For each performance obligation, the Group determines if revenue will be recognised over time or at a point in time. Where the Group recognises revenue over time for long term contracts, this is in general due to the Group performing and the customer simultaneously receiving and consuming the benefits provided over the life of the contract.

For each performance obligation to be recognised over time, the Group applies a revenue recognition method that faithfully depicts the Group's performance in transferring control of the goods or services to the customer. This decision requires assessment of the real nature of the goods or services that the Group has promised to transfer to the customer. The Group applies the relevant output or input method consistently to similar performance obligations in other contracts.

1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

(g) Revenue from contracts with customers (continued)

When using the output-method the Group recognises revenue on the basis of direct measurements of the value to the customer of the goods and services transferred to date relative to the remaining goods and services under the contract. Where the output method is used, in particular for long term service contracts where the series guidance is applied, the Group often uses a method of time elapsed which requires minimal estimation. Certain long-term contracts use output methods based upon estimation of number of users, level of service activity or fees collected.

If performance obligations in a contract do not meet the over-time criteria, the Group recognises revenue at a point in time. This may be at the point of physical delivery of goods and acceptance by a customer or when the customer obtains control of an asset or service in a contract with customer-specified acceptance criteria.

Disaggregation of revenue

The Group disaggregates revenue from contracts with customers by contract type, which includes during the current financial year facilitation fees only.as management believe this best depicts how the nature, amount, timing and uncertainty of the Group’s revenue and cash flows.

Performance obligations

The nature of contracts or performance obligations categorised within this revenue type include an annual facilitation fee receivable.

The service contracts in this category include contracts with no performance obligations.

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.

(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 are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses trade receivables have been grouped based on days overdue.

Other receivables are measured at amortised cost, less any allowance for expected credit losses.

(k) 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.

1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

(k) Income tax (continued)

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

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

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

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

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

Tax consolidation legislation

GME Resources Limited and its 100% owned Australian resident subsidiaries have implemented the tax consolidation legislation. Current and deferred tax amounts are accounted for in each individual entity as if each entity continued to act as a taxpayer on its own. GME Resources Limited recognises both its own current and deferred tax amounts and those current tax liabilities, current tax assets and deferred tax assets arising from unused tax credits and unused tax losses which it has assumed from its controlled entities within the tax consolidated group.

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

(l) 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.

(m) Plant and equipment

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

1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

(m) Plant and equipment (continued)

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.

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

(i) Impairment

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

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

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

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

For plant and equipment, impairment losses are recognised in the Consolidated Statement of Profit or Loss and other Comprehensive Income.

(ii) Derecognition and disposal

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

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

(n) Investments and other financial assets

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

(n) Investments and other financial assets(continued)

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- equity instruments at fair value through other comprehensive income (FVOCI)
- debt instruments at fair value through other comprehensive income (FVOCI).

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

a. they are held within a business model whose objective is to hold the financial assets to collect its contractual cash flows

b. the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method.

Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as listed bonds that were previously classified as held-to-maturity under IAS 39.

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

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest

are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss.

1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

(n) Investments and other financial assets(continued)

The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Equity instruments at fair value through other comprehensive income (Equity FVOCI)

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI.

Under Equity FVOCI, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss.

Dividend from these investments continue to be recorded as other income within the profit or loss unless the dividend clearly represents return of capital.

This category includes unlisted equity securities that were previously classified as 'available-for-sale' under AASB 139.

Any gains or losses recognised in other comprehensive income (OCI) are not recycled upon derecognition of the asset.

Impairment of financial assets

AASB 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaced AASB 139's 'incurred loss model'.

Instruments within the scope of the new requirements include loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Level 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Level 2').
- 'Level 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables and contract assets

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

(n) Investments and other financial assets(continued)

The Group assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics, they have been grouped based on the days past due.

Classification and measurement of financial liabilities

The Group's financial liabilities include trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

(o) 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 profit or loss

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(p)).

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.

1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

(p) 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.

(q) 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.

(r) 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.

1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

(s) 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.

(t) 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.

(u) Parent entity financial information

The financial information for the parent entity, disclosed in Note 21 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 2020 $	Consolidated 2019 $
2. OTHER INCOME AND EXPENSES		
(a) Other income:		
Facilitation fee for prospecting rights	100,000	100,000
Rent received – sub-lease	12,340	-
Government cashflow boost	32,273	-
Profit on sale of Devon Gold Mine	-	30,063
Total revenue	144,613	130,063
(b) Administration costs:		
Audit and taxation compliance fees	33,683	57,540
Accounting fees	46,213	42,774
Consulting fees	-	6,663
Corporate compliance costs	52,218	63,769
Insurance	23,831	19,090
Office costs	55,819	87,657
Research & development claim preparation	38,270	106,017
Other	31,467	28,825
	281,501	412,335

3. INCOME TAX

(a) Income tax recognised in profit and loss
The major components of tax benefit are:

	2020 $	2019 $
Adjustments recognised in the current year in relation to the current tax – R&D tax offset	250,880	706,780
Total tax benefit	250,880	706,780

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:

	2020 $	2019 $
Accounting profit/(loss) before tax from continuing operations	(488,185)	(984,045)
Income tax expense/(benefit) calculated at 30.0% (2019: 27.5%)	(146,456)	(270,612)
Non-assessable income	(9,682)	-
Non-deductible expenses	-	371
R&D tax incentive	250,180	706,780
Tax losses and deferred tax balances not recognised	366,825	270,241
Change in tax rate	(209,987)	-
Income tax benefit reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income	250,880	706,780

	Consolidated 2020 $	2019 $
3. INCOME TAX (Continued)		
(b) Unrecognised deferred tax balances		
Deferred tax assets comprise:		
Tax losses carried forward	12,188,389	10,880,978
Accrued expenses	6,000	11,956
Lease liabilities	27,029	-
Other deferred tax balances	-	497
	12,221,418	10,892,933
Deferred tax liabilities comprise:		
Exploration expenditure capitalised	9,655,278	8,593,041
Right of use assets	26,784	-
	9,682,062	8,593,041
Income tax benefit not recognised directly in equity during the year:		
Capital raising costs	13,102	17,168

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. The deductible temporary differences and tax losses do not expire under current tax legislation.

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

	2020 $	2019 $
Current		
GST Refundable	15,892	15,961
Other	10,758	2,101
	26,650	18,062
Non-current		
Bonds	20,301	17,290

5. PLANT AND EQUIPMENT (NON-CURRENT)

	2020 $	2019 $
Plant and equipment - at cost	787,199	745,610
Less accumulated depreciation	(746,654)	(743,472)
Total plant and equipment	40,545	2,138

	Consolidated 2020 $	Consolidated 2019 $
5. PLANT AND EQUIPMENT (NON-CURRENT) continued		
Reconciliation of the carrying amount of plant and equipment:		
Carrying amount at the beginning of the year	2,138	2,793
Acquisitions	41,589	-
Depreciation	(3,182)	(655)
Carrying amount at the end of the year	40,545	2,138

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

	2020 $	2019 $
Exploration and evaluation phase - at cost		
Movements:		
Balance at beginning of the year	31,247,420	30,088,279
Direct expenditure	1,124,444	1,748,282
	32,371,864	31,836,561
Less impairment of exploration and evaluation expenditure (1)	(187,604)	(589,141)
	32,184,260	31,247,420

(1) 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. Where facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount, the expenditure has been impaired down to its recoverable amount.

During the year a review of the water licenses was undertaken and $187,604 of accumulated costs on licenses surrendered was written off.

7. RIGHT OF USE ASSETS

	2020 $	2019 $
Cost	138,226	-
Accumulated depreciation	(48,946)	-
	89,280	-
Premises		
Reconciliation		
Recognised on 1 July 2019 on adoption of AASB 16	138,226	-
Depreciation expense	(48,946)	-
Closing balance	89,280	-

AASB 16 was adopted during the period refer Note 1(b).

	Consolidated 2020 $	2019 $
8. PAYABLES (CURRENT)		
Trade payables and accruals	187,517	117,102
	187,517	117,102

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 17. There are no secured liabilities as at 30 June 2020.

9. LEASE LIABILITIES

	2020 $	2019 $
Current liabilities	45,092	-
Non-current liabilities	45,003	-
	90,095	-
Premises		
Reconciliation		
Recognised on 1 July 2019 on adoption of AASB 16	138,226	-
Principal repayments	(48,131)	-
Closing Balance	90,095	-

AASB 16 was adopted during the period.

The group has two operating leases for its premises, the lease terms are 12 months with options to extend for further 12 month terms.

Underlying assets serve as security for the related lease liabilities. A maturity analysis of future minimum lease payments is presented below.

In previous years, the Group disclosed commitments for lease payments on leased premises. As the Group has adopted AASB 16 in the current year, these commitments are factored into the balances above.

Reconciliation of total operating lease commitments as at 30 June 2019, as disclosed in the annual financial statements for the year ended 30 June 2019, and the lease liabilities recognised on 1 July 2019:

Lease liabilities	**30 June 2020** $
Operating lease commitments disclosed as at 30 June 2019	72,000
Effect of discounting lease payments	(15,982)
Lease liabilities as at 1 July 2019 under AASB16	56,018

10. ISSUED CAPITAL

	Consolidated 2020	Consolidated 2019
	$	$
506,242,920 (2019: 506,242,920) ordinary shares, fully paid	56,640,810	56,640,810
Ordinary shares		
Balance at the beginning of the year	56,640,810	55,340,239
Rights Issue	-	1,325,648
Costs associated with issue	-	(25,077)
Balance at the end of the year	56,640,810	56,640,810

	No of Shares	No of Shares
Balance at the beginning of the year	506,242,920	482,140,229
Rights Issue	-	24,102,691
Balance at the end of the year	506,242,920	506,242,920

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation.
The shares have no par value.

11. CONTROLLED ENTITIES

Name of Controlled Entity/ (Country of Incorporation)	Percentage Owned 2020	Percentage Owned 2019	Company's Cost of Investment 2020	Company's Cost of Investment 2019
	%	%	$	$
GME Sulpher 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

12. CONSOLIDATED STATEMENT OF CASH FLOWS

a) Reconciliation of cash flows from operating activities	2020	2019
Loss from ordinary activities after tax	(237,305)	(277,265)
Depreciation / amortisation	52,128	1,762
Profit on sale of Devon project	-	(30,063)
Exploration costs impaired/written off	187,604	589,141
Decrease/(increase) in receivables and prepayments	12,193	89,612
Increase/(decrease) in sundry creditors	50,794	(118,106)
Proceeds on sale of Devon project	-	100,000
Net cash inflows/(outflows) from operating activities	65,414	355,081

12. CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	Consolidated 2020	2019
	$	$
b) Reconciliation of cash and cash equivalents		
Cash balance comprises:		
Cash at bank	13,315	9,003
Deposits at call	119,170	1,255,604
	132,485	1,264,607

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) Changes in liabilities arising from financing activities:	Lease Liability
Consolidated	
Balance at 1 July 2019	-
Adoption of AASB16	138,226
Net cash (used in) financing activities	(48,131)
Balance at 30 June 2020	90,095

13. AUDITOR'S REMUNERATION

	2020	2019
	$	$
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	32,183	49,540
- other services in relation to the Company and any other entity in the Group (tax compliance services)	3,500	8,000
	35,683	57,540

14. SEGMENT REPORTING

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 2020 $	Consolidated 2019 $
15. EARNINGS/(LOSS) PER SHARE		
Basic and diluted loss per share (cents)	(0.05)	(0.06)
Loss used in calculation of basic and diluted loss per share	(237,305)	(277,765)
Weighted average number of ordinary shares outstanding during the year used in calculation of basic and diluted loss per share	506,242,920	484,991,259

The Company does not have any options on issue.

16. 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

Executives

Mark Edward Pitts	Company Secretary

b) Key Management Personnel Compensation

	Consolidated 2020 $	Consolidated 2019 $
Short-term employee benefits	278,384	278,384
Post-employment benefits	15,616	15,616
Long-term employee benefits	-	-
	294,000	294,000

c) Other transactions and balances with Key Management Personnel

During the year, the Group paid $23,225 (2019: $21,750) for commercial rent and outgoings 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 2020 was $11,480 (2019: $Nil).
In addition to the fees paid to Mark Pitts for Company Secretarial Services, the Company also paid $25,594 (2019: $17,618) to Endeavour Corporate, of which Mark Pitts is a partner, for accounting services.

The Company has an amount payable of $9,006 (2019 $6,944) to Endeavour Corporate as at 30 June 2020.

The Company has an amount payable of $33,000 (2019: $33,000) to Hardrock Capital Pty Ltd, a company of which Peter Sullivan is a director, in relation to Directors' fees.

17. 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.

2019	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate Maturing Within 1 year	Over 1 year	Non-interest Bearing	Total
Financial Assets		$	$	$	$	$
Cash assets	0.34%	9,003	1,255,604	-	-	1,264,607
Receivables	n/a	-	-	-	18,062	18,062
		9,003	1,255,604	-	18,062	1,282,669
Payables	n/a	-	-	-	117,102	117,102
		-	-	-	117,102	117,102

a) Categories of financial instruments

2020	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate Maturing Within 1 year	Over 1 year	Non-interest Bearing	Total
Financial Assets		$	$	$	$	$
Cash assets	0.05%	13,315	119,170	-	-	132,485
Receivables	n/a	-	-	-	26,650	26,650
		13,315	119,170	-	26,650	159,135
Payables	n/a	-	-	-	241,215	241,215
Leases	n/a	-	45,092	45,003	-	90,095
		-	45,092	45,003	241,215	331,310

17. FINANCIAL INSTRUMENT DISCLOSURES (CONTINUED)

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 loss before tax and equity would reduce by $6,323 and increase by $6,323, respectively (2019: $4,677). A reduction in the interest rate would have an equal but opposite effect.

c) Liquidity risk

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

d) Credit risk

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

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

e) Capital management risk

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

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

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

f) Net fair values

The net fair value of the financial assets and financial liabilities approximates their carrying value. 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.

18. 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 2020, 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 $1,402,780 (2019: $1,964,224) 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.

19. 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 18 – Commitments and Contingent Liabilities.

20. RELATED PARTIES

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

	2020 $	2019 $
Non-current receivables		
Loans net of provisions for non- recovery	29,442,611	32,109,079
Current payables		
Loans	656,824	635,678

Refer Note 16(c) for other transactions with related parties.

21. PARENT ENTITY DISCLOSURE

As at, and throughout the financial year ended 30 June 2020 the parent Company of the Group was GME Resources Limited.

	2020 $	2019 $
Results of the parent entity		
Loss after tax for the year	(2,758,690)	(192,141)
Other comprehensive income	-	-
Total comprehensive result for the year	(2,758,690)	(192,141)
Financial position of the parent entity at year end		
Current assets	169,436	1,305,163
Non-current assets	32,968,624	34,744,457
Total assets	33,138,060	36,049,621
Current liabilities	875,452	773,926
Non current liabilities	45,003	-
Total liabilities	920,455	773,926
Total equity of the parent entity comprising of:		
Share capital	56,640,810	56,640,810
Accumulated losses	(24,423,205)	(21,365,115)
Total equity	32,217,605	35,275,695

22. SUBSEQUENT EVENTS

On 7 August 2020, the Company announced that it has allotted 40,846,059 ordinary fully paid shares at an issue price of $0.03 per share to raise approximately $1.23 million before costs. The shortfall of 9,777,951 shares was placed on 26 August 2020.

The impact of the Coronavirus (COVID-19) pandemic is ongoing. The situation is rapidly developing and is dependent on measures imposed by the Australian Government, United States government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided. It is not practicable to estimate the potential impact, positive or negative, after the reporting date.

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 2020 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 2020.

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

James Sullivan
Managing Director
Perth, Western Australia
24th September 2020

HLB MANN JUDD
ADVISORY AND ACCOUNTING

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 Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and 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 2020 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 entity'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
Deferred exploration expenditure Refer to Note 6	
In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, the Group capitalises exploration and evaluation expenditure and as at 30 June 2020 had a deferred exploration and evaluation expenditure balance of $32,184,260. Exploration and evaluation expenditure was determined to be a key audit matter as it is important to the users' understanding of the financial statements as a whole and was an area which involved the most audit effort and communication with those charged with governance.	Our procedures included but were not limited to: - Obtaining an understanding of the key processes associated with management's review of the carrying value of exploration and evaluation expenditure; - Considering the Directors' assessment of potential indicators of impairment in addition to making our own assessment; - Obtaining evidence that the Group has current rights to tenure of its areas of interest; - Considering the nature and extent of planned ongoing activities; - Substantiating a sample of expenditure by agreeing to supporting documentation; and - Examining the disclosures made in the annual 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 2020, 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.

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.

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 within the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of GME Resources Limited for the year ended 30 June 2020 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

HLB Mann Judd
Chartered Accountants

M R Ohm
Partner

Perth, Western Australia
24 September 2020

The following additional information, applicable at 9 October 2020 is required by the Australian Securities Exchange Ltd in respect of listed public companies only.

Shareholding

a. **Distribution of Shareholders**

Category (size of holding)	Number of Holders	Ordinary Shares
1 – 1,000	108	52,470
1,001 – 5,000	289	805,537
5,001 – 10,000	140	1,119,327
10,001 – 100,000	490	16,881,986
100,001 – and over	239	538,007,610
	1,266	556,866,930

b. The number of shareholders holding less than a marketable parcel is 573.

c. The names of the substantial shareholders listed in the holding Company's register as at 9 October 2020 are:

Shareholder	Number	% of issued capital
ZETA RESOURCES LIMITED	223,863,538	40.2
MANDALUP INVESTMENTS PTY LTD	47,569,290	8.69
PETER ROSS SULLIVAN	36,167,990	6.61
JAMES NOEL SULLIVAN	28,199,568	5.15

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	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	219,002,738	39.33
2	MANDALUP INVESTMENTS PTY LTD <MANDALUP DISCRETIONARY A/C>	31,737,403	5.70
3	PANORAMIC RESOURCES LIMITED	20,222,221	3.63
4	MR JAMES NOEL SULLIVAN + MRS GAIL SULLIVAN <SULLIVANS GARAGE S/F A/C>	19,245,821	3.46
5	HARDROCK CAPITAL PTY LTD	16,424,674	2.95
6	MANDALUP INVESTMENTS PTY LTD <MANDALUP SUPER FUND A/C>	15,831,887	2.84
7	DUNCRAIG INVESTMENTS SERVICES PTY LTD <PMS SUPER - PERROTT A/C>	11,991,742	2.15
8	MR PETER ROSS SULLIVAN	10,832,520	1.95
9	MMP (WA) PTY LTD <GEOMETT S/F A/C>	10,736,764	1.93
10	PROTAX NOMINEES PTY LTD <RICHARDS SUPER FUND A/C>	8,904,000	1.60
11	HARDROCK CAPITAL PTY LTD <CGLW (NO2) SUPER FUND A/C>	8,634,908	1.55
12	TWO TOPS PTY LTD	7,017,192	1.26
13	SULLIVANS GARAGE PTY LTD	6,441,823	1.16
14	ZETA RESOURCES LIMITED	6,199,309	1.11
15	HVH PTY LTD <G V HUGO SUPER FUND A/C>	5,500,000	0.99
16	ACS (NSW) PTY LTD <ACS FAMILY SUPER FUND A/C>	5,079,631	0.91
17	MD NICHOLAEFF PTY LTD <M & N SUPER FUND A/C>	4,290,582	0.77
18	MR DOUGLAS STUART BUTCHER	4,267,311	0.77
19	MR ROBERT GREGORY LOOBY <FAMILY ACCOUNT>	4,050,000	0.73
20	MS SUZANNE SULLIVAN	3,354,630	0.60
		419,765,156	**75.38**

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.

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