

QUARTERLY REPORT

June 2012



Highlights

Metallurgical work on Direct Solvent Extraction (DSX) nearing completion

Positive results from preliminary studies on development of the Devon gold mine

Rights Issue Raises \$1.02 million

Corporate

In May the Company raised \$1,026,974.45 through a non renounceable rights issue at \$0.05. Funds raised will be used to continue with the development of the Company's Nickel and Gold assets located in the North Eastern Goldfields in WA.

During the quarter the Company completed a management restructure whereby Mr David Varcoe resigned as Managing Director after four years in the position and was replaced by Mr Jamie Sullivan. The restructure included the relocation of the Company's office from Osborne Park to Mt Pleasant.

Operations

Nickel Heap Leach Study

The Company's "NiWest" nickel laterite project is located in the North Eastern goldfields of Western Australia. The Company is assessing the potential to develop a large scale nickel-cobalt hydrometallurgical processing plant.

Metallurgical test work being undertaken by SGS Lakefield on column tests simulating a continuous heap leach operation continued throughout the quarter. Resultant solutions have been subjected to iron precipitation in preparation for direct solvent extraction test work. This process route offers potential to significantly reduce capital costs for a heap leaching operation producing nickel and cobalt metal.

Solutions from the heap leach simulation will also be used to further refine the iron removal and acid recovery route which GME has a patent application for.

The NiWest resource Statement and project map are shown in Appendix 1.

About GME Resources

GME Resources is a Perth-based nickel exploration company focused on the development of its 100%-owned NiWest Project, located in the Leonora district of Western Australia.

GME has the potential to become a top 10-global nickel producer with its NiWest Project resource totalling over 100 million tonnes of ore containing over 1 million tonnes of nickel – making it one of the most exciting undeveloped laterite nickel projects in Australia.

A study is underway for a project capable of supplying 30,000 tonnes of Nickel metal and 1,400 tonnes of cobalt per year.

Gold Initiatives

The Company continues to evaluate the potential development of the Devon Gold Mine located at the Company's 100 % owned Linden Project. First pass optimisation studies indicate that the Devon resource could support a profitable operation by open pit mining with toll processing of ore at a nearby gold plant. Results from the Whittle Pit Optimisation of the Devon resource for pit shell 21 using the following assumptions are shown in the following tables and slides.

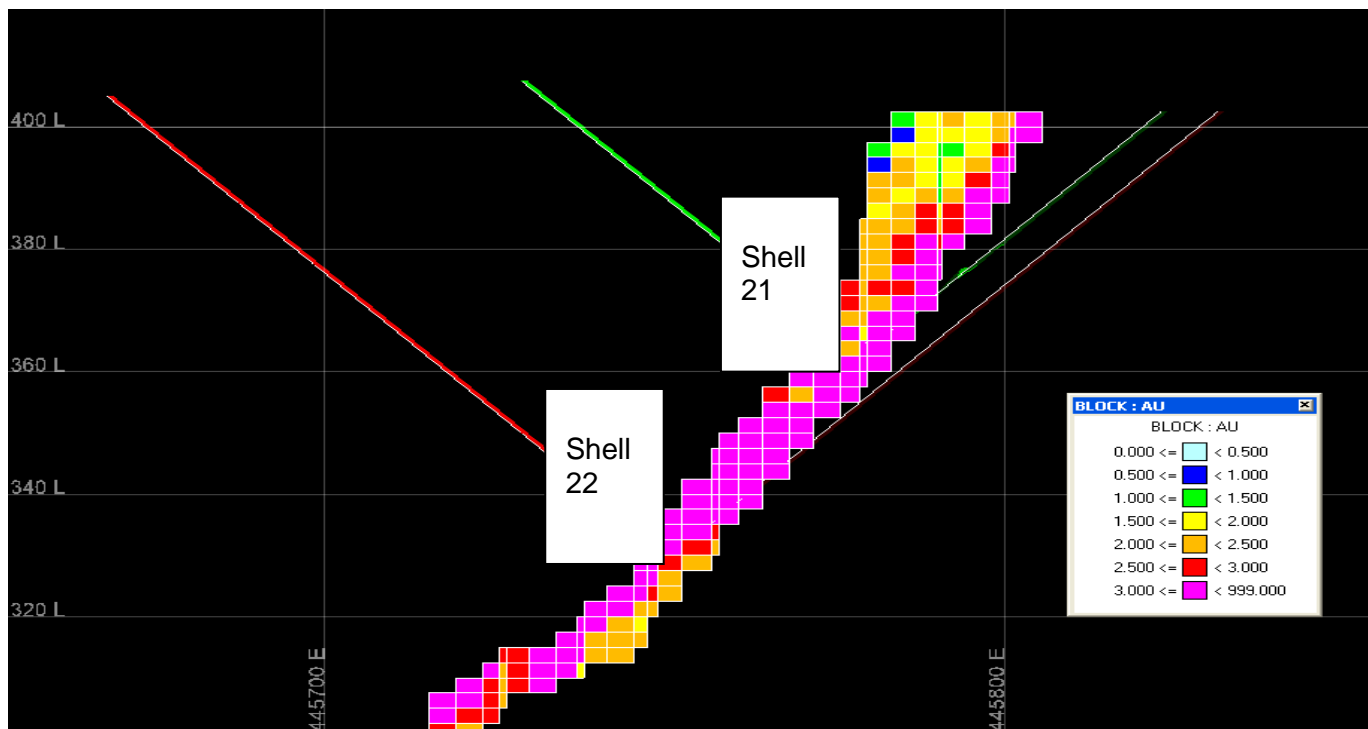
- Gold Price \$1500
- Mining, processing and haulage \$57.50 / tonne
- Metallurgical Recovery 90%
- Pit Slopes 45 degrees

Metallurgical test work on core samples from the Devon resource is ongoing and further evaluation and infill drilling is planned for the September quarter to provide additional resource data on the potential development the project.

The following table shows the results from the optimiser using pit shell 21 taking into account three dilution scenarios.

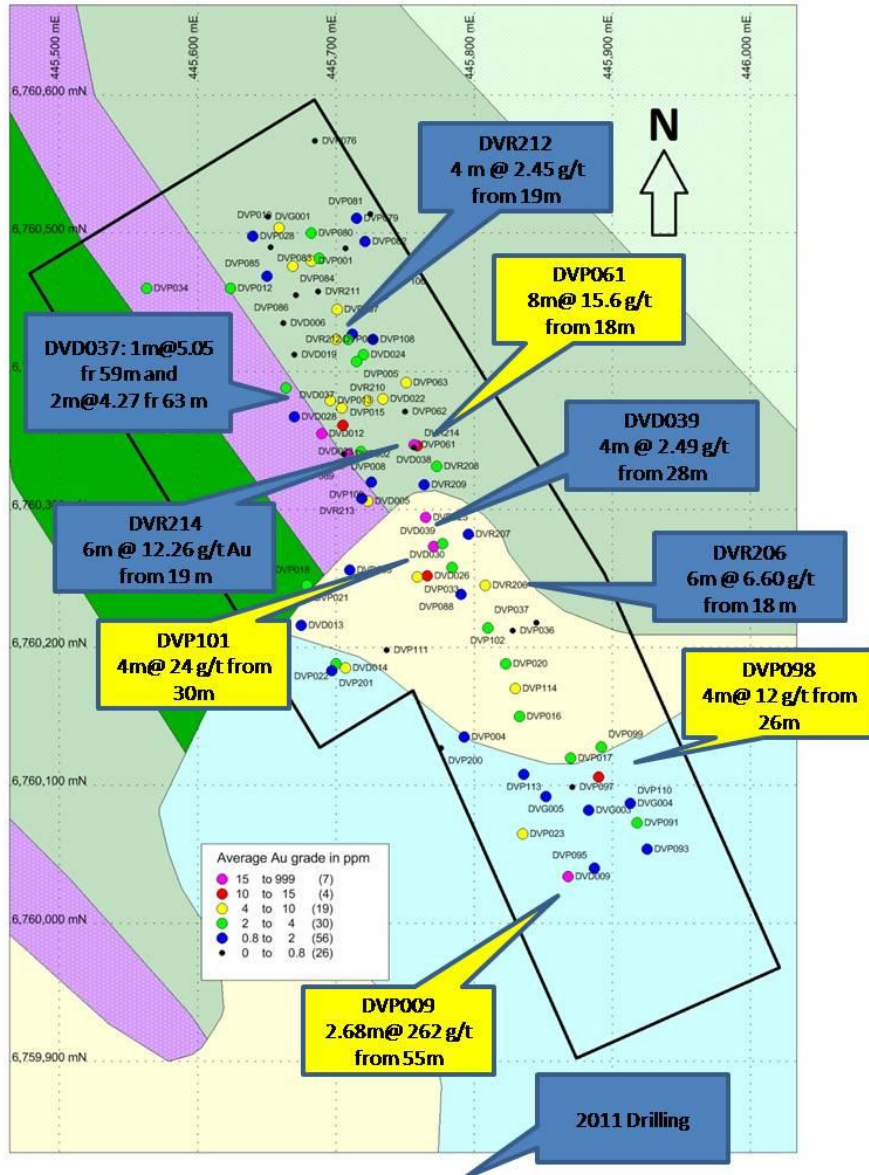
Shell 21	5% Dilution	25% Dilution	50% Dilution
Ore tonnes (kt)	174	197	216
Grade (g/t)	3.7	3.2	2.8
Waste tonnes (Mt)	1.3	1.3	1.3
Pit size (Mt)	1.5	1.5	1.5
Strip ratio	7.8	6.8	6.0
Operating Surplus (M\$)	13.5	11.7	9.8

Pit shell 21 out line in green

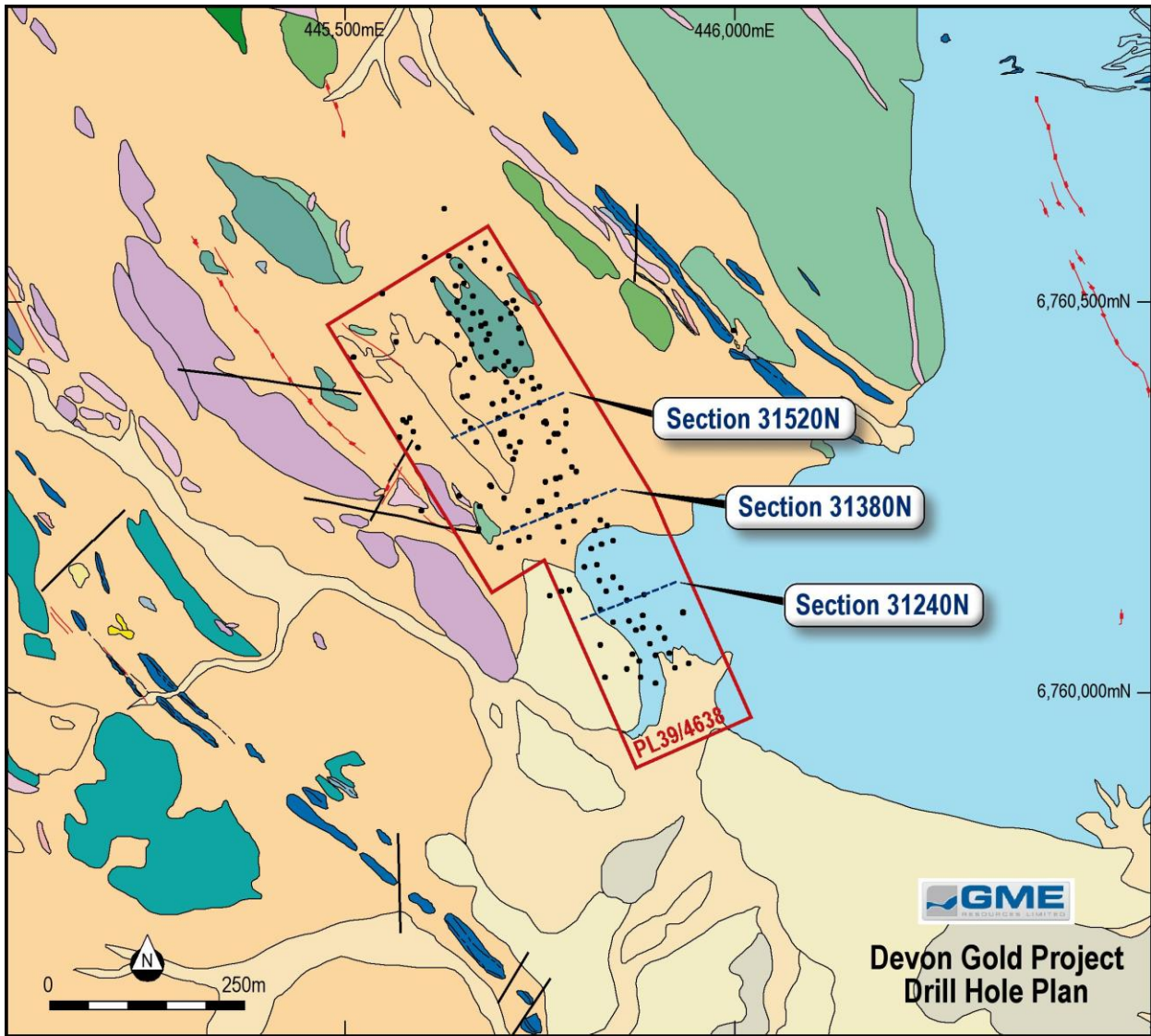


Total Resource Calculation for Devon Mine (JORC)

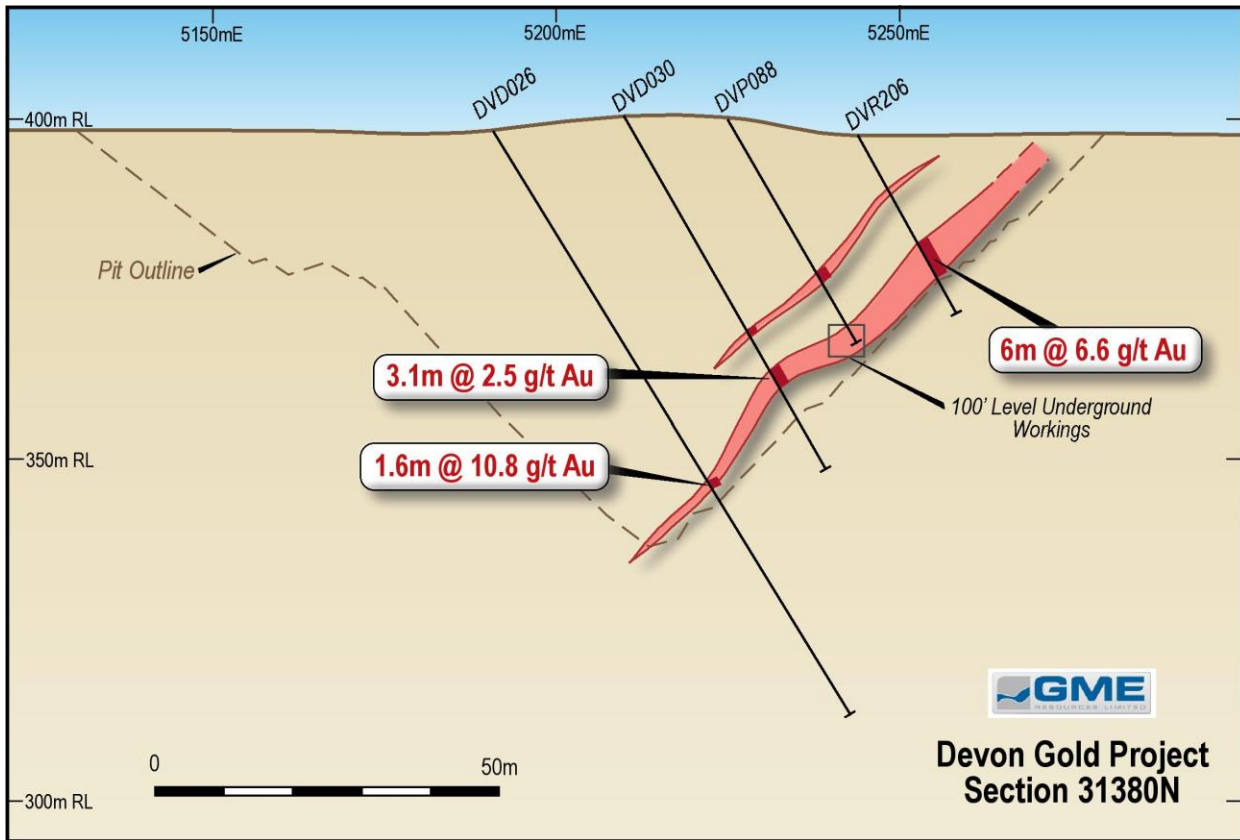
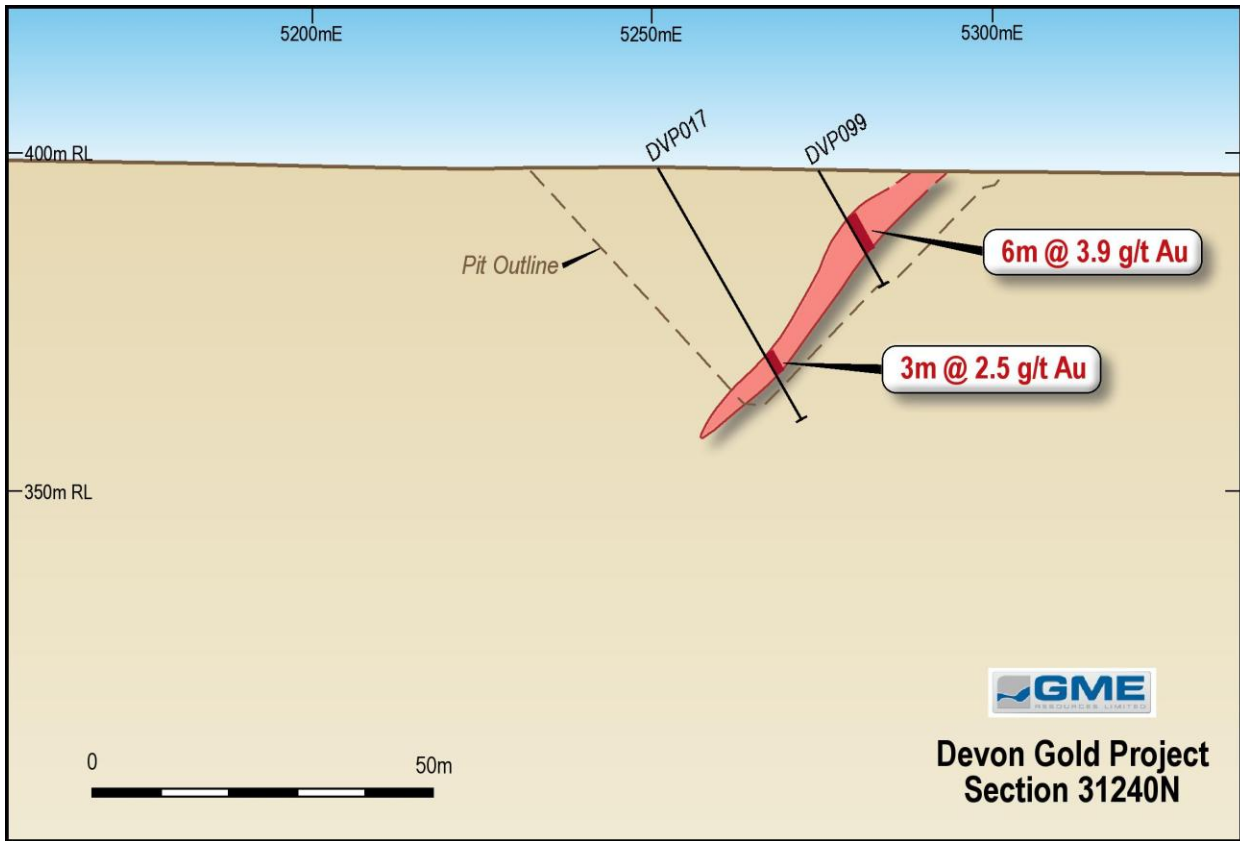
Classification	Material Tonnes	Grade g/t	Contained Ounces gold
Measured	0	-	0
Indicated	274,345	3.09	27,300
Inferred	210,627	3.37	22,800
Total	484, 971	3.21	50,000

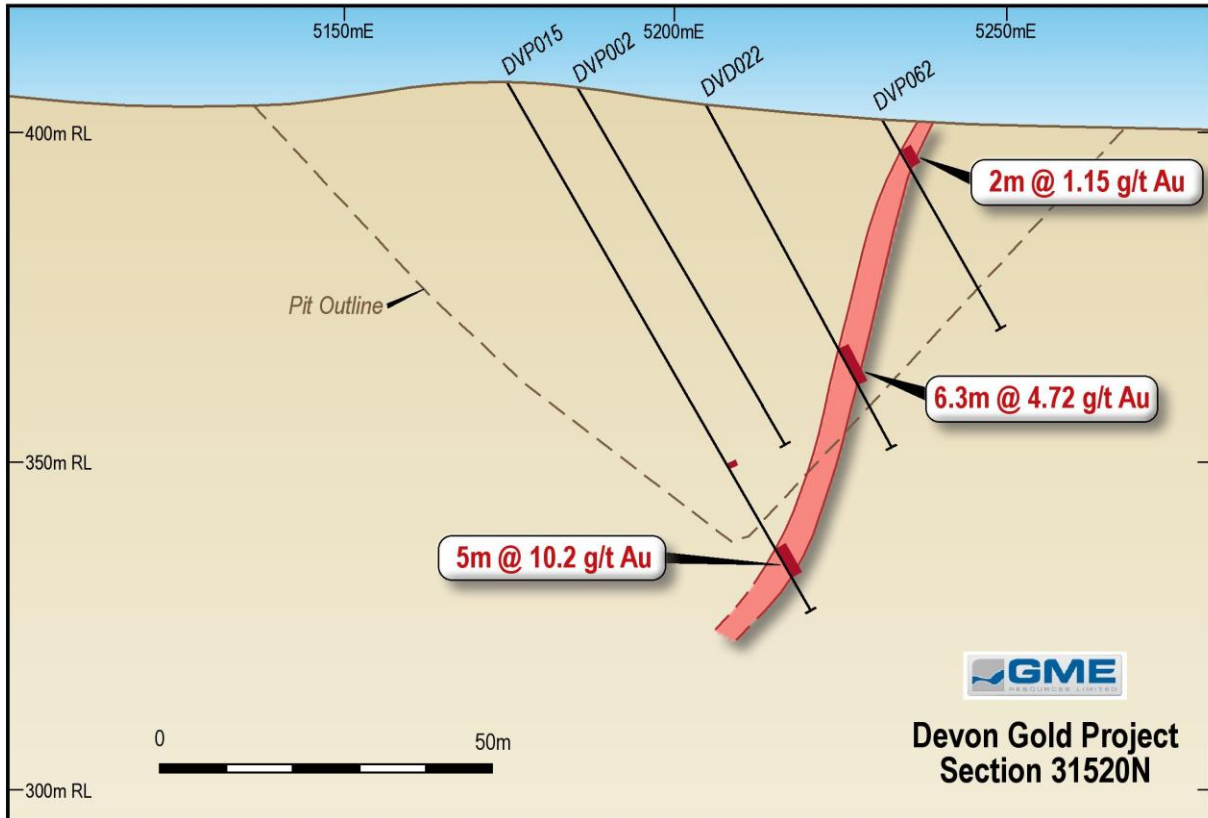


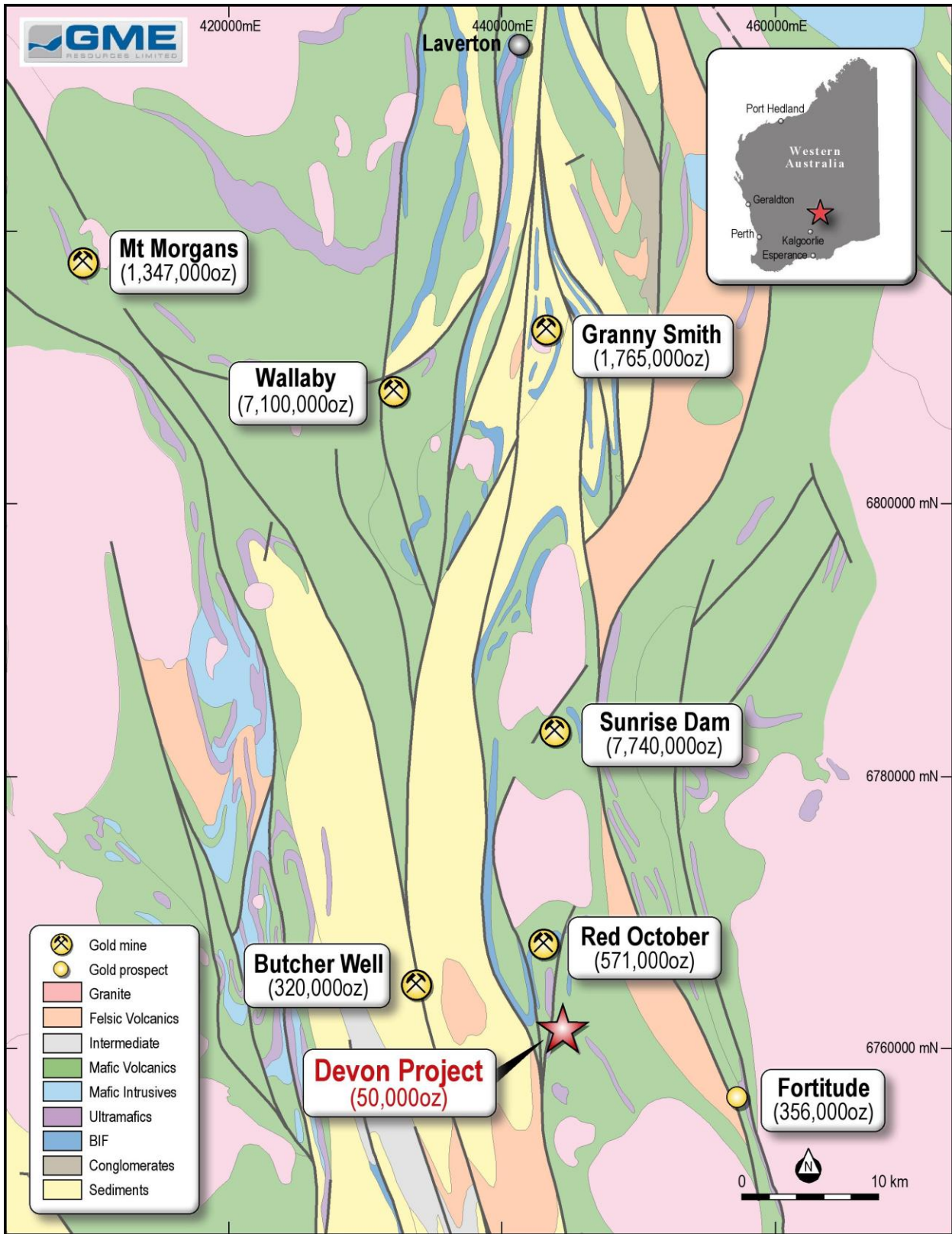
Devon Project drill hole plan with some of the shallow high grade gold results



Cross sections showing the mineralised structure at 31240N, 31380N and 31520N are shown on the following slides







Location Plan – Devon Project



JAMIE SULLIVAN

MANAGING DIRECTOR

Date: 25 JULY 2012

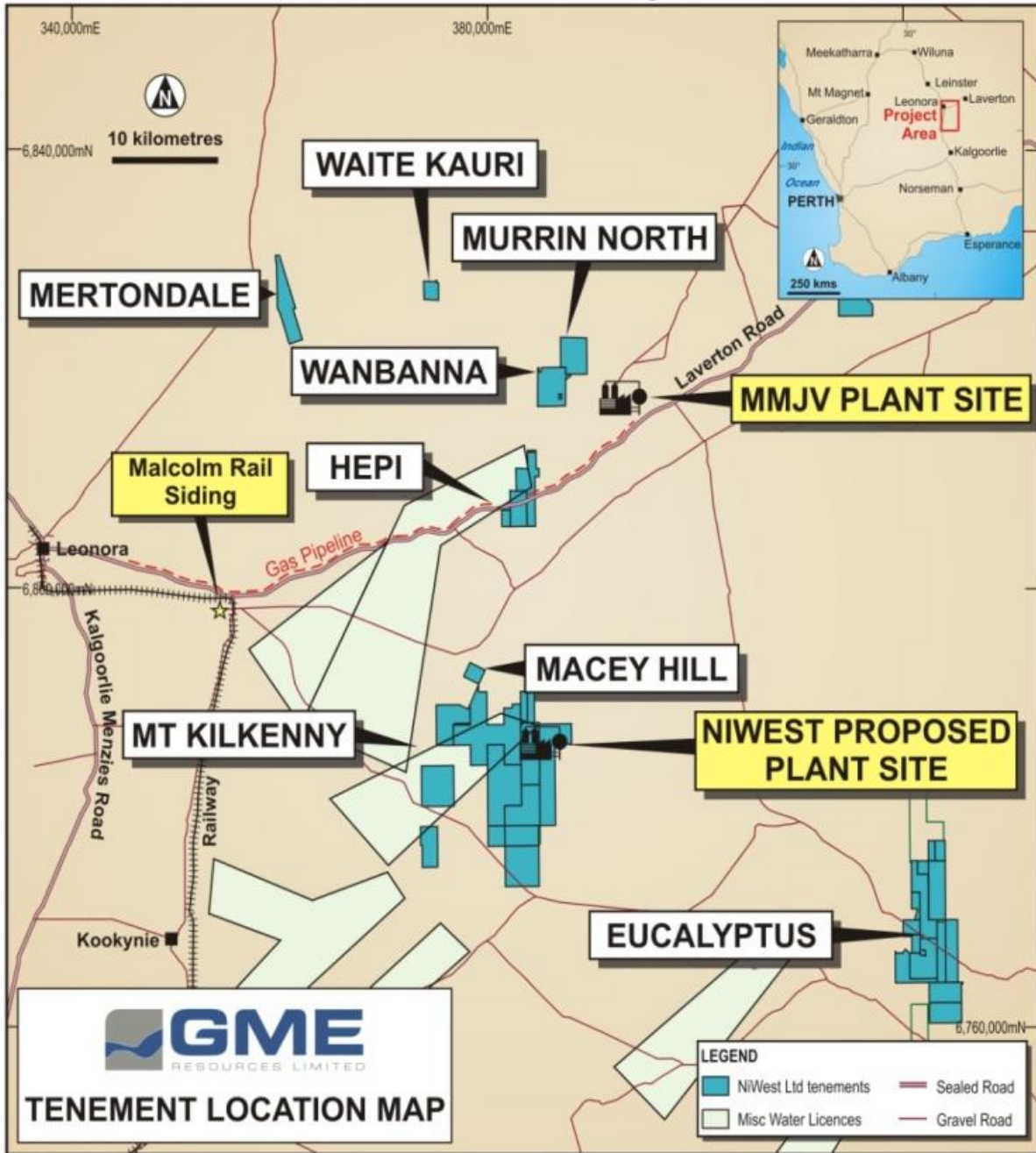
The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Stephen Hyland who is a member of The Australasian Institute of Mining and Metallurgy. Mr Hyland is a Principal Consultant with Ravensgate Minerals Industry Consultants who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

APPENDIX 1.

Table 1 Global nickel resources for the NiWest Project at varying cut-off grades as reported from the block model.

0.7% COG	CATEGORY	Tonnes (Millions)	%Ni	%Co	Ni Metal (tonnes)	Co Metal (tonnes)
TOTAL	Measured	45.86	0.96	0.06	441,692	28,229
	Indicated	32.28	0.92	0.06	295,631	18,502
	Inferred	30.32	0.89	0.06	270,250	19,600
	Combined	108.46	0.93	0.06	1,007,573	66,331
0.8% COG	CATEGORY	Tonnes (Millions)	%Ni	%Co	Ni Metal (tonnes)	Co Metal (tonnes)
TOTAL	Measured	34.22	1.04	0.07	355,198	23,037
	Indicated	22.41	0.99	0.06	222,273	14,189
	Inferred	19.09	0.96	0.06	184,038	11,303
	Combined	75.73	1.01	0.06	761,509	48,529
1.0% COG	CATEGORY	Tonnes (Millions)	%Ni	%Co	Ni Metal (tonnes)	Co Metal (tonnes)
TOTAL	Measured	19.21	1.19	0.08	228,996	15,215
	Indicated	8.47	1.14	0.08	96,299	6,461
	Inferred	5.07	1.14	0.07	57,741	3,786
	Combined	32.74	1.17	0.08	383,036	25,463
1.2% COG	CATEGORY	Tonnes (Millions)	%Ni	%Co	Ni Metal (tonnes)	Co Metal (tonnes)
TOTAL	Measured	7.43	1.37	0.09	101,534	6,681
	Indicated	2.23	1.31	0.09	29,165	1,981
	Inferred	1.29	1.28	0.09	16,591	1,106
	Combined	10.96	1.34	0.09	147,290	10,067

NiWest Nickel Project



Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

GME Resources Ltd

ABN

62 009 260 315

Quarter ended ("current quarter")

30 June 2012

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(465)	(1,617)
(b) development	-	-
(c) production	-	-
(d) administration	(65)	(287)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	9	45
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	120
Net Operating Cash Flows	(521)	(1,739)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	1
(c) other fixed assets	9	9
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	9	10
1.13 Total operating and investing cash flows (carried forward)	(512)	(1,729)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(512)	(1,729)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1,027	1,027
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	1	(8)
	Net financing cash flows	1,028	1,019
	Net increase (decrease) in cash held	516	(710)
1.20	Cash at beginning of quarter/year to date	533	1,759
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	1,049	1,049

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	80
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	380
4.2 Development	
4.3 Production	
4.4 Administration	100
Total	480

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	51	6
5.2 Deposits at call	998	527
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,049	533

+ See chapter 19 for defined terms.

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter		
6.1	Interests in mining tenements relinquished, reduced or lapsed	P39/4639	100%	100%	0%	
		P39/4743	100%	100%	0%	
		P39/4744	100%	100%	0%	
		P39/4745	100%	100%	0%	
		P39/4746	100%	100%	0%	
		P39/4747	100%	100%	0%	
		P39/4748	100%	100%	0%	
		P39/4749	100%	100%	0%	
		P39/4750	100%	100%	0%	
		P39/4971	100%	100%	0%	
		P39/4972	100%	100%	0%	
		E39/1419	100%	100%	0%	
		E39/1470	100%	100%	0%	
		E39/1527	100%	100%	0%	
		E39/1552	100%	100%	0%	
		E39/1607	100%	100%	0%	
		E39/1634	100%	100%	0%	
		E39/1635	100%	100%	0%	
		M39/1084	100%	100%	0%	
		P39/4571	100%	100%	0%	
		P39/4734	100%	100%	0%	
		P39/4735	100%	100%	0%	
		P39/4827	100%	100%	0%	
		P39/4999	100%	100%	0%	
		P39/5000	100%	100%	100%	0%
		6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities	NIL			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	343,175,391	343,175,391		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	20,539,489	20,539,489	5 cents	5 cents
7.5 +Convertible debt securities (description)	NIL	NIL		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)				
7.8 Issued during quarter	-			
7.9 Exercised during quarter	-			
7.10 Expired during quarter	-			
7.11 Debentures (totals only)	-			
7.12 Unsecured notes (totals only)	-			

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.



Sign here:
(Director/Company secretary)

Date:25.07.2012.....

Print name:MARK PITTS.....

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.