



GME RESOURCES LTD

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ASX Announcement – 29 February 2008

The Companies Announcement Office
Australian Stock Exchange
Level 10 Exchange Centre
20 Bond Street
SYDNEY NSW 2000

Dear Sirs

FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2007

Please find attached the Company's Financial Report for the half-year Ended 31 December 2007.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Bradley Wynne'. The signature is fluid and cursive, with a long horizontal stroke at the end.

BRADLEY WYNNE
Company Secretary

GME Resources Limited

(ABN 62 009 260 315)

Half Year Report

31 December 2007

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DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity for the half year ended 31 December 2007.

Directors

The names of directors who held office during or since the end of the half year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Michael Delaney Perrott	Non-Executive Chairman
David John Varcoe	Managing Director (Appointed 18 February 2008)
James Noel Sullivan	Managing Director (Resigned 18 February 2008) (Remaining as an Executive Director)
Peter Ross Sullivan	Non-Executive Director
Geoffrey Mayfield Motteram	Non-Executive Director

Review of Operations

Over the reporting period good progress was made on the all aspects of work associated with the Feasibility Study on the development of the Niwest Nickel Laterite Heap Leach project. The majority of the work completed over the period was engineering, metallurgical, water resource development and environmental studies associated with the evaluation of the proposed trial heap leach site at the Cawse Nickel Minesite and the Company's application to develop the trial open pit mine at Hepi project.

A second round of column leach tests are underway which although incomplete continue to show good Ni extraction rates and leach characteristics. These columns will be run over 120 days. Additionally the company has stated test work on downstream processes including neutralization and precipitation of leach solution.

In August 2007 the Company agreed a Memorandum of Understanding with Norilsk Nickel Cawse Pty Ltd to evaluate and submit a project plan on conducting a trial heap leach program on decommissioned tailing dams at the Cawse mine site.

In November 2007 the project plan for the trial heap leach project was presented to and accepted by Norilsk Nickel paving the way for the parties to negotiate commercial terms for the supply of utilities, processing costs for PLS delivered to the Cawse plant and payments for metal recovered from the processing of the PLS.

The trial heap leach program includes the mining and trucking of approximately 20,000 tonnes of ore from the Hepi project near Murrin and is expected to commence in May 2008. The trial heap leach program is an integral part of the Feasibility Study and will test heaps at varying conditions to establish optimum parameters for design of the full scale operation.

The Company has approved a preliminary capital cost estimate of \$3.3 million to construct the heap leach project at the Cawse site. Detailed design work has commenced in preparing specifications, drawings and tender documents.

Additional exploration expenditure of \$9,738,258 was capitalised in the half year to 31 December 2007 (December 2006 \$922,483).

The Company registered a net loss for the half year to 31 December 2007 of \$213,627 (December 2006 \$109,398).

Auditor's Declaration

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 review of the half-year financial report. This Independence Declaration is set out on page 2 and forms part of this directors' report for the half-year ended 31 December 2007.

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



David J Varcoe

Managing Director

Dated this 29th day of February 2008.



Accountants | Business and Financial Advisers

Auditor's Independence Declaration

As lead auditor for the review of the financial report of GME Resources Limited for the half year ended 31 December 2007, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of GME Resources Limited.

A handwritten signature in blue ink, appearing to read 'W M Clark'.

Perth, Western Australia
28 February 2008

W M Clark
Partner, HLB Mann Judd

CONDENSED INCOME STATEMENT FOR THE HALF YEAR ENDED 31 DECEMBER 2007

	Notes	Consolidated	
		31 Dec 2007 \$	31 Dec 2006 \$
Revenue	3	307,325	140,099
Management and consulting expenditure		(250,308)	(92,563)
Depreciation and amortisation expense		(7,981)	(4,106)
Finance costs		(23,545)	-
Other expenses		(239,118)	(152,828)
Profit / (loss) before income tax expense	3	(213,627)	(109,398)
Income tax expense		-	-
Net profit / (loss) for the period		(213,627)	(109,398)
Basic earnings/(loss) per share (cents per share)		(0.09)	(0.05)
Diluted earnings/(loss) per share (cents per share)		(0.09)	(0.05)

The accompanying notes form part of these financial statements

**CONDENSED BALANCE SHEET
AS AT 31 DECEMBER 2007**

		Consolidated	
	Notes	31 Dec 2007	30 June 2007
		\$	\$
Assets			
Current Assets			
Cash and cash equivalents		7,707,980	714,667
Trade and other receivables		952,713	213,002
Other financial assets		8,250	8,250
Total Current Assets		8,668,943	935,919
Non-Current Assets			
Property, plant and equipment		47,875	19,473
Exploration and evaluation costs carried forward		22,178,642	12,440,384
Total Non-Current Assets		22,226,517	12,459,857
Total Assets		30,895,460	13,395,776
Current Liabilities			
Trade and other payables		126,452	1,099,990
Total Current Liabilities		126,452	1,099,990
Total Liabilities		126,452	1,099,990
Net Assets		30,769,008	12,295,786
Equity			
Issued capital	4	44,518,381	26,480,932
Financial assets reserve		(1,125)	(1,125)
Option reserve		740,796	91,396
Accumulated Losses		(14,489,044)	(14,275,417)
Total Equity		30,769,008	12,295,786

The accompanying notes form part of these financial statements.

**CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2007**

CONSOLIDATED

	Issued Capital	Financial Asset Reserve	Option Reserve	Accumulated Losses	Total Equity
	\$	\$		\$	\$
Balance at 1 July 2006	23,221,622	(1,125)	-	(13,871,511)	9,348,986
Shares issued during the year	2,083,818	-	-	-	2,083,818
Loss attributable to members of the parent entity	-	-	-	(109,398)	(109,398)
Balance at 31 December 2006	25,305,440	(1,125)	-	(13,980,909)	11,323,406
Balance at 1 July 2007	26,480,932	(1,125)	91,396	(14,275,417)	12,295,786
Shares issued during the year	18,037,449	-	-	-	18,037,449
Options issued during the year	-	-	649,400	-	649,400
Loss attributable to members of the parent entity	-	-	-	(213,627)	(213,627)
Balance at 31 December 2007	44,518,381	(1,125)	740,796	(14,489,044)	30,769,008

The accompanying notes form part of these financial statements

**CONDENSED CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2007**

	Consolidated	
	31 Dec 2007	31 Dec 2006
	\$	\$
	Inflows/(Outflows)	
Cash flows from operating activities		
Proceeds from facilitation fee for prospecting rights	100,000	100,000
Payments to suppliers and employees	(489,930)	(145,500)
Exploration and evaluation expenditure	(3,147,548)	(810,186)
Interest received	207,325	40,099
Net cash used in operating activities	(3,330,153)	(815,587)
Cash flows from financing activities		
Proceeds from issue of shares	10,403,967	2,083,818
Payment for costs of issue of shares	(44,118)	(24,507)
Net cash provided by financing activities	10,359,849	2,059,311
Cash flows from investing activities		
Acquisition of plant and equipment	(36,383)	(3,166)
Net cash used in investing activities	(36,383)	(3,166)
Net increase/(decrease) in cash held	6,993,313	1,240,558
Cash and cash equivalents at the start of the period	714,667	365,547
Cash and cash equivalents at the end of the period	7,707,980	1,606,105

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2007

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134: Interim Financial Reporting, Urgent Issues Group Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB134 ensures compliance with IAS 34 'Interim Financial Reporting'.

The half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the consolidated entity as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2007 and any public announcements made by GME Resources Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

(b) Basis of preparation

The half-year report has been prepared on a historical cost basis, except for available-for-sale financial assets which are measured at fair value.

For the purpose of preparing the half-year report, the half-year has been treated as a discrete reporting period.

(c) Significant accounting judgements and key estimates

The preparation of interim financial reports 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.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2007 annual financial report for the financial year ended 30 June 2007.

(d) Adoption of new and revised Accounting Standards

In the half-year ended 31 December 2007 the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 January 2007.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2007

NOTE 2: LOSS FROM ORDINARY ACTIVITIES

	Consolidated	
	31 Dec 2007	31 Dec 2006
	\$	\$
The following revenue items are relevant in explaining the financial performance for the half-year:		
(a) Revenue		
Interest Received	207,325	40,099
Proceeds from:		
Facilitation fee for prospecting rights	100,000	100,000
	307,325	140,099

NOTE 3: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	31 Dec 2007	31 Dec 2006
	\$	\$
Costs carried forward in respect of areas of interest in the following phases:		
Exploration and evaluation phase – at cost		
Balance at beginning of half-year	12,440,384	9,097,138
Acquisition of tenements	8,377,000	-
Expenditure incurred	1,361,258	922,483
Total deferred exploration and evaluation expenditure	22,178,642	10,019,621

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases are dependent on the successful development and commercial exploitation or sale of the respective areas.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2007**

NOTE 4: ISSUED CAPITAL

	Consolidated	
	31 Dec 2007	30 Jun 2007
	\$	\$
<i>Ordinary shares</i>		
Issued and fully paid	44,518,381	26,480,932
	No.	\$
<i>Movements in ordinary shares on issue</i>		
At 1 July 2007	220,365,998	26,480,932
Rights issue	20,807,933	10,359,849
Wanbanna tenement issue	12,000,000	7,677,600
At 31 December 2007	253,173,931	44,518,381

Options

At 31 December 2007, the Company has 2,350,000 unlisted options to acquire ordinary shares on issue. Of these, 350,000 unlisted options are exercisable on or before 30 June 2009. 250,000 are exercisable at \$0.75 each with 100,000 exercisable at \$0.80 each. The other 2,000,000 unlisted options are exercisable on or before 30 September 2010 at \$0.70 each.

NOTE 5: DIVIDENDS

No dividends were paid or declared during the period.

NOTE 6: SEGMENT REPORTING

There are no individual segments to be reported as the consolidated entity's operations are predominantly in the mining and exploration industry in Australia.

NOTE 7: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There has been no change in contingent liabilities or contingent assets since the last annual reporting date.

NOTE 8: EVENTS AFTER BALANCE DATE

On January 3, 2008, the Company announced that Mr David Varcoe had been appointed as Managing Director of the Company, effective 18 February 2008. He replaces Mr James Sullivan, who will remain as an executive director and take on the responsibility of maximizing the value of the Company's gold and other non-nickel assets.

No other event or circumstance has arisen since 31 December 2007 that would require disclosure in the financial report.

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 6 to 12
 - a. comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations; and
 - b. give a true and fair view of the consolidated entity's financial position as at 31 December 2007 and of its performance for the half-year then ended.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



David J Varcoe

Director

Dated this 29th day of February 2008



Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REVIEW REPORT

**To the members of
GME Resources Limited**

We have reviewed the accompanying half-year financial report, which comprises the condensed balance sheet as at 31 December 2007, the condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration, of GME Resources Limited and the entities it controlled during the half-year ended 31 December 2007 ("consolidated entity").

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001*, including giving a true and fair view of the company's financial position as at 31 December 2007 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Perseus Mining Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001* has been provided to the directors of GME Resources Limited on 28 February 2008.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of GME Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position at 31 December 2007 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



HLB MANN JUDD
Chartered Accountants



W M CLARK
Partner

Perth, Western Australia
28 February 2008