



GME RESOURCES LTD

ABN 62 009 260 315

REPORT FOR THE QUARTER ENDING 31 DECEMBER 2003

HIGHLIGHTS

- Company announces intention to exercise pre-emptive right to purchase Western Metals Copper Limited 62% interest in Niwest Limited for \$2.7 million.
- Company announces \$5.0 million fully underwritten renounceable rights issue.
- Company secures \$3.0 million standby credit facility.

CORPORATE REVIEW

NIWEST LTD

Niwest Ltd, controls tenements with a combined resource in excess of 125 million tonnes of laterite nickel grading 1.00% nickel and 0.06% cobalt located nearby the Murrin Murrin plant. GME Resources Limited currently owns 38% interest in Niwest Limited.

Receivers and Managers for Western Metals Copper Limited have notified GME Resources that it has entered into an agreement with Minara Resources Limited to purchase the remaining 62% interest in Niwest for \$2.7 million. Under the terms of the Niwest Shareholder agreement, GME has 90 days to exercise its pre-emptive right to purchase the WMCL interest on the same terms.

After considering the offer the Board of GME Resources Limited has announced its intention to match the offer received from Minara Resources Limited.

GME will fund the acquisition via a one for two renounceable rights issue at \$0.08 per share to raise \$4,993,000. The number of shares to be issued and the amount raised will be dependant on the amount of any convertible debts of the company first being converted into shares. The issue is to be fully underwritten by Grange Securities.

The funds raised will be used to meet the acquisition cost of the 62% interest in Niwest as well as tidying up the company's balance sheet and providing future working capital required to complete further infill drilling on the high grade nickel laterite resources that Niwest holds.

As indicated in the resource table listed below, Niwest Limited has a high grade inferred resource of 40 million tonnes at 1.28% nickel. The proximity of this higher grade resource to the Murrin Murrin treatment plant has the ability to deliver significant financial advantages for both Minara Resources and GME, particularly as the grade differential between the ore feed to the Murrin Murrin Plant and the potential Niwest ore feed increases.

EXPLORATION REVIEW

Resources Status

The total nickel resources are tabulated below on the basis of a 0.7% Ni lower cut-off grade.

Table 1: NiWest Resource for each of the Project areas

Deposit	Category	Tonnes	Ni%	Co%
Mertondale	Inferred	2,982,564	0.98%	0.08%
Murrin Murrin North	Inferred	7,266,519	0.97%	0.08%
Murrin Murrin Hepi	Inferred	5,333,998	1.04%	0.08%
Mount Kilkenny	Inferred	29,830,614	1.00%	0.05%
Waite Kauri	Measured	1,266,800	1.05%	0.05%
1. WAITE KAURI	Inferred	7,180,663	0.96%	0.07%
2. DUCK HILL	3. INFERRE D	4. 4,054, 700	5. 0.96 %	6. 0.12 %
7. MACEY HILL	8. INFERRE D	9. 343,70 0	10. 1.26 %	11. 0.12 %
Eucalyptus Bore	Indicated	54,945,049	1.01%	0.06%
Eucalyptus Bore	Inferred	14,900,000	1.00%	0.06%
Total Combined		128,104,608	1.00%	0.06%

NiWest has also completed a resource calculation at the 0.5%, 0.7% and 1.0% Ni cut-off values and these results are shown below.

Table 2: NiWest Resource at Various Cut-off Grades

Ni Cut-off	Tonnes	Grade Ni	Grade Co
0.50%	227,553,267	0.81%	0.05%
0.70%	128,104,608	1.00%	0.06%
1.00%	40,227,667	1.28%	0.09%

Work programmes and budgets for infill drilling of the high grade nickel resources will be drawn up over the next reporting period.

NiWest continues to negotiate mining lease applications at its Waite Kauri, Eucalyptus and Kilkenny projects through the native title tribunal.

LEONORA-LAVERTON GOLD PROJECTS

GME holds significant areas in the Leonora-Laverton area prospective for gold.

It has undertaken a review of these gold prospects, with a view to increase the exploration activity on them. A number of these properties are now subject to joint venture agreements under which active exploration is occurring.

Linden

P39/3417-3418

The Linden Gold Project encompasses the old Devon and Olympic mines where an inferred resource of 240,000 tonnes grading 7.15 g/t has been calculated by the Company.

Limited exploration was carried out the tenements in the reporting period. A desk top study has been undertaken to evaluate the potential to exploit the Devon ore zone via open pit mining. Work is still progressing on this study.

Leonora East

P37/4106, P37/5330 - 5333, 37/5477
(Medusa Mining earning in)

During the period, Medusa Mining Ltd completed a successful IPO and listing on the ASX. A detailed mapping programme of the tenement was undertaken during the period. Further geochemical survey is recommended as a future work programme.

Other Leonora/Laverton Gold Properties

No substantive field activities were conducted during the quarter on the Company's other gold properties. Expenditure was incurred on tenement administration, studies, information review and reporting.

OTHER REGIONAL PROJECTS**Ilgarari**

M52/539 - 540, EL52/1482

During the quarter the company rationalised the tenement holding in this area. Mining Leases 52/539 - 540 were conditionally surrendered in favour of an amalgamation into EL52/1482. This action will allow the company to consolidate the tenement holding in the area and concentrate on a broader exploration approach to the project.

Stophanis Well

During the reporting period the company disposed of its interest in the Stophanis Well and Clermont Projects.

Limited expenditure was incurred on general administration.

OTHER ACTIVITIES

During the quarter a number of new prospects were reviewed, however none of these met the Company's requirements.

The Board continues to review new opportunities for the Company.

So far as it relates to ore and mineralisation within NiWest Tenements this report is based on information compiled by Mr Steven Goertz, a member of the Australian Institute of Mining and Metallurgy and who has had more than five years experience in the field of activity being reported on. This report accurately reflects the information compiled by that member.



MICHAEL PERROTT
CHAIRMAN

Date: 29 January 2004

TENEMENT DIRECTORY

Mining tenements held at 31 December 2003 are as follows:

Project	Tenements	Interest at Beginning of Quarter	Interest at End of Quarter
Abednego West	P39/2690 – 2691 converted to MLA39/427 P39/3732-33, 3735-3741, 3743-3751 converted to MLA39/823, 824, 825	20% 20%	20% 20%
Chain Bore	P37/4490, 4616-4618 converted to MLA37/581	100%	100%
Ghan Well	EL39/679, P39/4049	100%	100%
Hawks Nest	M38/218, P38/2515 converted to MLA38/683	100%	100%
Ilgarari	M52/539-540 (Conditionally surrendered in favour of E52/1482) EL52/1482	100% 0%	100% 100%
Leonora East	P37/4106 converted to MLA37/566 P37/4807-4811 converted to MLA37/876 P37/5330 - 5333, P37/5477 converted to MLA 37/1059	100% (diluting) 100% 100% (diluting)	100% (diluting) 100% 100% (diluting)
Linden	P39/2974-76 converted to MLA39/500 P39/3417-18 converted to MLA 39/797, 798	10% 100%	10% 100%
Mt Kilkenny	EL39/688 MLA 39/877-879	100% of Non Lateritic Nickel Mineral Rights	100% of Non Lateritic Nickel Mineral Rights
Mount Marven	P39/2753 converted to MLA39/481	100%	100%
Mount Morgans Sth	P39/3347 – 3352 converted to MLA39/703, P39/3353-3356 converted to MLA39/702, P39/3531,3532 converted to MLA39/777	100%	100%
Murrin Murrin (Golden Cliffs)	P39/3172-3175 converted to MLA39/554 P39/3180-3183 converted to MLA39/457	100% 100%	100% 100%
Murrin Murrin (Anaconda)	ML39/426, 456, 552, 553 & 569	Lateritic nickel fee & royalty plus 100% of Non Lateritic Nickel Mineral Rights	Lateritic nickel fee & royalty plus 100% of Non Lateritic Nickel Mineral Rights
Pyke Hill	ELA39/633, P39/4050	100%	100%

LEGEND:

<i>E</i>	<i>Exploration Licence</i>	<i>P</i>	<i>Prospecting Licence</i>	<i>M</i>	<i>Mining Lease.</i>	<i>EPM</i>	<i>Exploration Permit for Minerals</i>
<i>ELA</i>	<i>Exploration Licence Appln</i>	<i>PLA</i>	<i>Prospecting Licence Appln</i>	<i>ML</i>	<i>Mining Lease Appln</i>	<i>EPMA</i>	<i>Exploration Permit for Minera. Appln</i>