



GME RESOURCES LTD
ABN 62 009 260 315

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ASX Announcement – 15 March 2006

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

Dear Sirs,

INTERIM FINANCIAL REPORT – HALF YEAR 31 DECEMBER 2005

Please find attached for immediate release the Company's Interim Financial Report for the half year ended 31 December 2005.

Yours sincerely,

Mark Pitts
Company Secretary

The information in the attached report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Bill Hill and Mr Steve Goertz, both whom are members of The Australasian Institute of Mining and Metallurgy. Mr Hill is self employed and consults to the Company as and when required, Mr Goertz is a former employee. Both Messrs Hill and Goertz have sufficient experience, which is relevant to the style of mineralization and type of deposit under consideration and to the activity which they are 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. Both Mr Hill and Mr Goertz consent to the inclusion in the report of the matters based on information provided in the form and context in which it appears.

GME Resources Limited

(ABN 62 009 260 315)

Half Year Report

31 December 2005

Contents	Page
Directors' Report	1
Auditor's Independence Declaration	2
Condensed Income Statement	3
Condensed Balance Sheet	4
Condensed Statement of Changes in Equity	5
Condensed Cash Flow Statement	6
Notes to the Financial Statements	7
Directors' Declaration	15
Independent Review Report	16

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity for the half year ended 31 December 2005.

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
James Noel Sullivan	Managing Director
Peter Ross Sullivan	Non-Executive Director
Geoffrey Mayfield Motteram	Non-Executive Director

Review of Operations

The Company has continued with its planned exploration program, drilling on identified project areas to have its resources re classified into the indicated category . The programs carried out by the Company have had the additional benefit of not only moving resource tonnes into the indicated category but have added tonnes to the resource base and improved the average grade.

Total resources at the date of this report at a 1% Nickel cut off grade are 43.83 million tonnes at an average 1.25% Nickel and 0.10% Cobalt.

Additional exploration expenditure of \$919,633 was capitalised in the half year to 31 December 2005.

The Company registered a net loss for the half year to 31 December 2005 of \$147,112 (December 2004 \$36,445).

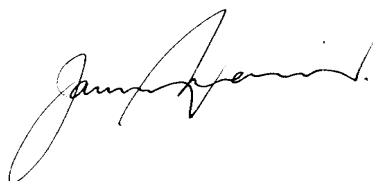
Adoption of Australian Equivalents to International Financial Reporting Standards ('AIFRS')

This interim report has been prepared under Australian Equivalents to IFRS. There has been no material impact on this report .

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 2005.

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



James N Sullivan

Managing Director

Dated this 14th day of March 2006.



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 2005, 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 'Norman G Neill'.

Perth, Western Australia
14 March 2006

N G NEILL
Partner, HLB Mann Judd

**CONDENSED INCOME STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2005**

	Notes	Consolidated	
		31 Dec 2005 \$	31 Dec 2004 \$
Revenue	4	132,078	161,449
Management and consulting expenditure		(110,417)	(117,333)
Depreciation and amortisation expense		(4,105)	-
Finance costs		-	(14,530)
Other expenses		(164,668)	(66,031)
Profit / (loss) before income tax expense	4	(147,112)	(36,445)
Income tax expense		-	-
Net profit / (loss) for the period		(147,112)	(36,445)
		(0.08)	(0.02)
Basic earnings/(loss) per share (cents per share)		(0.08)	(0.02)
Diluted earnings/(loss) per share (cents per share)		(0.08)	(0.02)

The accompanying notes form part of these financial statements

**CONDENSED BALANCE SHEET
AS AT 31 DECEMBER 2005**

	Notes	Consolidated	
		31 Dec 2005 \$	30 June 2005 \$
Assets			
Current Assets			
Cash and cash equivalents		1,083,907	351,709
Trade and other receivables		179,970	166,289
Other financial assets		9,375	9,375
Total Current Assets		<u>1,273,252</u>	<u>527,373</u>
Non-Current Assets			
Property, plant and equipment		28,383	32,489
Exploration costs carried forward		8,583,598	7,663,965
Total Non-Current Assets		<u>8,611,981</u>	<u>7,696,454</u>
Total Assets		<u>9,885,233</u>	<u>8,223,827</u>
Current Liabilities			
Trade and other payables		278,611	166,267
Total Current Liabilities		<u>278,611</u>	<u>166,267</u>
Total Liabilities		<u>278,611</u>	<u>166,267</u>
Net Assets		<u>9,606,622</u>	<u>8,057,560</u>
Equity			
Issued capital	5	23,245,892	21,549,718
Accumulated Losses		(13,639,270)	(13,492,158)
Total Equity		<u>9,606,622</u>	<u>8,057,560</u>

The accompanying notes form part of these financial statements

**CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2005**

	CONSOLIDATED		
	Issued	Accumulated	Total
	Capital	Losses	Equity
Note	\$	\$	\$
Balance at 1 July 2005	21,549,718	(13,492,158)	8,057,560
Shares issued during the year	1,696,174	-	1,696,174
Loss attributable to members of the parent entity	-	(147,112)	(147,112)
Balance at 31 December 2005	23,245,892	(13,639,270)	9,606,622
Balance at 1 July 2004	20,630,217	(13,461,620)	7,168,597
Shares issued during the year	625,751	-	625,751
Loss attributable to members of the parent entity	-	(36,445)	(36,445)
Balance at 31 December 2004	21,255,968	(13,498,065)	7,757,903

The accompanying notes form part of these financial statements

**CONDENSED CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2005**

Note	Consolidated	
	31 Dec 2005	31 Dec 2004
	\$	\$
	Inflows/(Outflows)	
Cash flows from operating activities		
Proceeds from facilitation fee for prospecting rights	100,000	110,000
Payments to suppliers and employees	(252,214)	(197,069)
Exploration expenditure	(843,840)	(708,977)
Interest received	32,078	41,449
Other	-	(7,592)
Net cash used in operating activities	<u>(963,976)</u>	<u>(762,189)</u>
Cash flows from investing activities		
Proceeds from sale of prospects	-	20,000
Other	-	(4,628)
Net cash provided by/(used in) investing activities	<u>-</u>	<u>15,372</u>
Cash flows from financing activities		
Proceeds from issue of shares	<u>1,696,174</u>	<u>4,739</u>
Net cash provided by financing activities	<u>1,696,174</u>	<u>4,739</u>
Net increase/(decrease) in cash held	732,198	(742,078)
Cash at 1 July 2005	<u>351,709</u>	<u>1,823,419</u>
Cash at 31 December 2005	<u><u>1,083,907</u></u>	<u><u>1,081,341</u></u>

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2005

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

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.

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.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2005 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.

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.

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

As this is the first interim financial report prepared under Australian equivalents to IFRS, the accounting policies applied are inconsistent with those applied in the 30 June 2005 annual report as this report was presented under previous Australian GAAP. Accordingly, a summary of the significant accounting policies under Australian equivalents to IFRS has been included below. There has been no material impact on the equity and profit and loss between previous GAAP and Australian equivalents to IFRS.

(b) Statement of compliance

The half-year financial report complies with Australia Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the half-year financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards.

This is the first half-year financial report prepared based on AIFRS and comparatives for the half-year ended 31 December 2004 and full year ended 30 June 2005 have been restated accordingly. A summary of the significant accounting policies of the Company are discussed below.

(c) Principles of consolidation

The consolidated financial report comprises the financial statements of GME Resources Limited and its controlled entities.

A controlled entity is any entity controlled by GME Resources Limited whereby GME Resources Limited has the power to control the financial and operating policies of an entity so as to obtain benefits from its activities.

The financial statements of controlled entities are prepared for the same reporting period as the parent company, using consistent accounting policies. Accounting policies of controlled entities have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

All inter-company balances and transactions between entities in the consolidated entity, including any unrealised profits or losses, have been eliminated on consolidation.

Where controlled entities have entered or left the consolidated entity during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2005

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) 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 sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized 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 recognized 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 utilized, 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 recognized 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 utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet 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 assets to be utilized.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognized 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 sheet date.

Income taxes relating to items recognized directly in equity are recognized 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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2005

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The cost of fixed assets constructed within the economic entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Impairment

Carrying values of assets are reviewed at each balance date to determine whether there are any objective indicators of impairment that may indicate the carrying values may not be recoverable in whole or in part.

Where an asset does not generate cash flows that are largely independent it is assigned to a cash generating unit and the recoverable amount test applied to the cash generating unit as a whole.

Recoverable amount is determined as the greater of fair value less costs to sell and value in use. The assessment of value in use considers the present value of future cash flows discounted using an appropriate pre-tax discount rate reflecting the current market assessments of the time value of money and risks specific to the asset.

If the carrying value of the asset is determined to be in excess of its recoverable amount, the asset or cash generating unit is written down to its recoverable amount.

Depreciation

Depreciation is calculated on a straight line basis over their estimated useful lives of the assets as follows:

Plant and equipment	20-25%
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The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

(f) Exploration and Development Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that the consolidated entity's rights of tenure to that area of interest are current and that the costs are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2005

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Exploration and Development Expenditure (continued)

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(g) Investments and other financial assets

The Group has elected to apply the option available under AASB1 of adopting AASB 132 and AASB 139 from 1 July 2005. Outlined below is the relevant accounting policy for investments and other financial assets applicable from 1 July 2005. For the applicable policy for the year ending 30 June 2005, refer to the annual financial report at 30 June 2005.

Accounting policies applicable from 1 July 2005.

Financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognized initially, they are measured at fair value, plus in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular way purchases and sales of financial assets are recognized on the trade date, i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

(i) Financial assets are fair value through profit or loss

Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognized in profit or loss.

(ii) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments included to be held for an undefined period are not included in this classification. Investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognized minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initially recognized amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognized in profit or loss when the investments are derecognized or impaired, as well as through the amortization process.

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2005

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Investments and other financial assets (continued)

(iv) *Available-for-sale investments*

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for-sale investments are measured at fair value with gains or losses being recognized as a separate component of equity until the investment is derecognized or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognized in profit or loss.

The fair value of investments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions, reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models.

(h) Impairment of Assets

The Group assesses at each reporting 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 recognized in the 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 reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. 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 recognized for the asset in prior years. Such reversal is recognized 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 a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life. The consolidated entity assesses at each reporting date whether any objective indications of impairment are present. Where such an indicator exists, a formal assessment of recoverable amount is then made and where this is in excess of carrying amount, the asset is written down to its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2005

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Provisions

Provisions are recognised when the consolidated entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(j) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(k) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the consolidated entity and the revenue is capable of being reliably measured.

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

(l) Goods and Services Tax (GST)

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 balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(m) AASB 1 Transitional exemptions

The consolidated entity has made its election in relation to the transitional exemptions allowed by AASB 1 'First-time Adoption of Australian Equivalents to International Financial Reporting Standards' as follows:

Designation of previously recognised financial instruments

Financial instruments were designated as financial assets or liabilities at fair value through profit or loss or as available-for-sale at the date of transition to AIFRS.

Share based payment transactions

AASB 2 'Share-Based Payment' is applied only to equity instruments granted after 7 November 2002 that had not vested on or before 1 January 2005.

(n) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2005

NOTE 2: FIRST TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ('AIFRS')

Impact of adoption of AIFRS

There are no material differences in the total equity and profit after tax or the cash flow statement presented under AIFRS and those presented under Australian Accounting Standards applicable before 1 January 2005 (previous Australian GAAP).

NOTE 3: CHANGES IN ACCOUNTING POLICY

GME Resources Limited did not undertake any transactions in the half year to 31 December 2005 which necessitated a review of accounting policies.

NOTE 4: LOSS FROM ORDINARY ACTIVITIES

	Consolidated	
	31 Dec 2005	31 Dec 2004
	\$	\$

The following revenue items are relevant in explaining the financial performance for the half-year:

(a) Revenue

Interest Received	32,078	41,449
Proceeds from:		
Facilitation fee for prospecting rights	100,000	100,000
Sale of prospects	-	20,000
	<u>132,078</u>	<u>161,449</u>

NOTE 5: ISSUED CAPITAL

	Consolidated	
	31 Dec 2005	30 Jun 2005
	\$	\$

Ordinary shares

Issued and fully paid	<u>23,245,892</u>	<u>21,549,718</u>
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	No.	\$
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Movements in ordinary shares on issue

At 1 July 2005	191,499,384	21,549,718
Rights issue	11,307,831	1,696,174
At 31 December 2005	<u>202,807,215</u>	<u>23,245,892</u>

Options

The Company has 5,000,000 options to acquire ordinary shares on issue exercisable on or before 30 June 2007. The options are exercisable in tranches; 2,000,000 at \$0.20 each; 2,000,000 at \$0.30 each; and 1,000,000 at \$0.40 each. No options were exercised during the half year and no new issues were made.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2005**

NOTE 6: DIVIDENDS

No dividends were paid or declared during the period.

NOTE 7: 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 8: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

NOTE 9: EVENTS AFTER BALANCE DATE

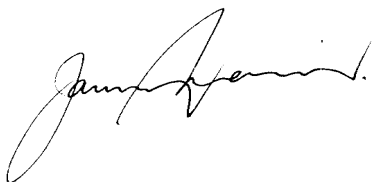
No event or circumstance has arisen since 31 December 2005 that would require disclosure in the financial report.

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on 3 to 14
 - 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 2005 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.

A handwritten signature in black ink, appearing to read 'James N Sullivan', written in a cursive style.

James N Sullivan

Director

Dated this 14th day of March 2006



INDEPENDENT REVIEW REPORT

**To the members of
GME RESOURCES LIMITED**

Scope

The financial report and directors' responsibility

The financial report comprises the balance sheet, income statement, cash flow statement, statement of changes in equity and accompanying notes to the financial statements and the directors' declaration of GME Resources Limited for the half year ended 31 December 2005. The financial report includes the consolidated financial statements of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half year.

The directors of the company are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the consolidated entity and that complies with Accounting Standard AASB 134 "Interim Financial Reporting", in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach

We conducted an independent review of the financial report in order to make a statement about it to the members of the company, and in order for the company to lodge the financial report with the Australian Stock Exchange and the Australian Securities and Investments Commission.

Our review was conducted in accordance with Australian Auditing Standards applicable to review engagements in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with the Corporations Act 2001, Accounting Standard AASB 134 "Interim Financial Reporting" and other mandatory professional reporting requirements in Australia and statutory requirements, so as to present a view which is consistent with our understanding of the consolidated entity's financial position and of its performance as represented by the results of its operations and cash flows.

A review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Independence

In conducting our review, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

In accordance with ASIC Class Order 05/83, we declare to the best of our knowledge and belief that the auditor's independence declaration as set out on page 2 of the half year financial report has not changed as at the date of provision our review report.

HLB Mann Judd (WA Partnership)

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HLB Mann Judd (WA Partnership) is a member of  International and the HLB Mann Judd National Association of independent accounting firms

Statement

Based on our review, which is not an audit, we have not become aware of any matter that causes us to believe that the half year financial report of GME Resources Limited and the entities which it controlled during the half year, is not in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the consolidated entity's financial position at 31 December 2005 and of its performance for the half year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) other mandatory financial reporting requirements in Australia.



HLB MANN JUDD
Chartered Accountants



N G NEILL
Partner

Perth, Western Australia
14 March 2006