



GME Resources Limited
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{Shareholder}
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BY POST

Dear Shareholder

GME Resources Ltd Rights Issue – Notification Details

On 23 January 2004, GME Resources Ltd announced that it was its intention to accept the offer from the Receivers and Managers of Western Metals Limited to acquire the remaining 62% interest in NiWest Limited for a total cost of \$2,715,025 (the “**NiWest Limited Acquisition**”). Once that offer is formally accepted, which must occur prior to 14 April 2004, NiWest Limited will become a wholly owned subsidiary of GME Resources Ltd.

In order to meet the cost of the NiWest Limited Acquisition, GME Resources Ltd is making a “one for two” Rights Issue at 8 cents each. A Prospectus setting out the details of the Rights Issue was lodged with the Australian Stock Exchange Limited by GME Resources Ltd on 13 February 2004. That Prospectus will be sent to all shareholders in Australia and New Zealand shortly.

Shareholders with registered addresses in the Channel Islands, United Kingdom, Hong Kong, Ireland, Israel, Malaysia, Saudi Arabia, Singapore, Taiwan and the United States are not eligible to participate in the rights issue. The Company has appointed the Company Secretary as the nominee to arrange for the sale of the Rights that would have been given to Foreign Shareholders. The Company Secretary will account for and send to Foreign Shareholders the net proceeds of the sale of the Rights if they are sold.

GME Resources Ltd currently has an issued capital of 120,370,556 ordinary fully paid shares. A further 60,185,278 new shares will be issued under the Rights Issue to raise approximately \$4,815,000. The new shares will rank equally in all respects from the date of allotment with the Company’s existing ordinary shares.

In addition to funding the NiWest Limited Acquisition, funds raised by the Rights Issue will be used for exploration costs, repayment of debt, payment of stamp duty and provision for the future working capital requirements.

The relevant Important Dates of the Rights Issue are as follows:

Event	Date
▪ Record Date (for determining shareholders' entitlements to receive an issue of new shares under the Rights Issue)	24 February 2004
▪ Rights Trading Begins	18 February 2004
▪ Entitlement and Acceptance form and Prospectus, sent to Shareholders	27 February 2004
▪ Rights Trading Ends	15 March 2004
▪ Closing Date of the Rights Issue	22 March 2004

The Rights Issue is renounceable, which means shareholders can sell their Rights on the Australian Stock Exchange and GME Resources Ltd will then allot New Shares to the ultimate purchaser of the Rights.

Accordingly Shareholders have the following options in relation to the Rights Issue:

- Take up their Entitlements in full.
- Sell all their Rights on the Australian Stock Exchange.
- Take up part of their Entitlement and sell the balance of their Rights on the Australian Stock Exchange.
- Transfer their Rights (other than through the Australian Stock Exchange); or
- Allow their Entitlements to lapse.

The Rights Issue is fully underwritten by Grange Securities Limited, for a fee of 4% of the total proceeds of the Rights Issue, being a total underwriting fee of approximately \$192,600. Any Rights not taken up or sold by shareholders will be taken up by the underwriters and sub-underwriters.

If you have any queries, please contact either Niels Kroyer or Trevor O'Connor at GME Resources Limited – 08 9474 1799.

Yours faithfully



MICHAEL PERROTT
CHAIRMAN