



GME Resources Limited
ABN 62 009 260 315

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24 February 2004

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

BY E-MAIL

Dear Sirs

INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2003

Please see attached the Interim Financial Report for the Half-year ended 31 December 2003 for the Company.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Niels J Kroyer', with a large, stylized flourish extending from the end.

NIELS J KROYER
Company Secretary

Enclosure: Interim Financial Report.

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GME RESOURCES LTD

ABN 62 009 260 315

INTERIM FINANCIAL REPORT

**For the Half-Year ended
31 DECEMBER 2003**

CONTENTS

	PAGE
CORPORATE DIRECTORY.....	1
DIRECTORS' REPORT.....	2
CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE.....	4
CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	5
CONSOLIDATED STATEMENT OF CASH FLOWS	6
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.....	7
DIRECTORS' DECLARATION.....	10
INDEPENDENT REVIEW REPORT	11

1. CORPORATE DIRECTORY

Directors

Chairman:

Michael Delaney PERROTT BCom

Managing Director:

Peter Ross SULLIVAN BE, MBA

Technical Director:

Geoffrey Mayfield MOTTERAM BMetE(Hons), MAusIMM

Company Secretary

Niels J KROYER

Registered Office

Level 2, Troika House
129 Melville Parade
Como WA 6152
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Auditors

HLB Mann Judd
Chartered Accountants
15 Rheola Street
West Perth WA 6005

Share Registry

Computershare Registry Services Pty Ltd
Level 2, Reserve Bank Building
45 St George's Terrace
Perth WA 6000
GPO Box D182
Perth WA 6840
Telephone: 61 8 9323 2000
Facsimile: 61 8 9323 2033

Stock Exchange Listing

The Company's shares are quoted on the Official List of Australian Stock Exchange Limited.

State of Incorporation

Western Australia

2. DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity for the half-year ended 31 December 2003.

2.1 Directors

The names of directors in office at the date of this report are:

Michael Delaney Perrott
Peter Ross Sullivan
Geoffrey Mayfield Motteram.

2.2 Review Of Operations

The consolidated entity continued its exploration activities during the half-year to 31 December 2003.

The consolidated profit after income tax for the financial half-year is \$34,004 (2002: consolidated profit of \$87,922).

2.3 Information On Directors

Director	Qualifications and Experience
Michael Delaney Perrott Bcom	Mr Perrott has been involved in industries associated with construction, contracting, mining and land development since 1969. He is currently also Chairman of Port Bouvard Limited, Revenir Limited and Canning Vale Weaving Mills Limited and a Non-Executive Director of Portman Limited. He is a member of the Board of Notre Dame University and a council member of the National Advisory Council for Suicide Prevention and the State Ministerial Council for Suicide Prevention.
Peter Ross Sullivan BE, MBA (Engineer)	Mr Sullivan is an engineer and has been involved in the development of resource companies and projects for more than 15 years. His project engineering experience was followed by four years in corporate finance with an investment bank and two years in a corporate development role with an Australian resource group. Mr Sullivan has considerable experience in the management and strategic development of resource companies. He is currently Managing Director of Resolute Mining Limited.

Director	Qualifications and Experience
<p>Geoffrey Mayfield Motteram BmetE(Hons), MAusIMM (Metallurgist)</p>	<p>Mr Motteram is a metallurgical engineer with over 25 years' experience in the development of projects in the Australian resources industry.</p> <p>He has extensive experience in gold and base metals having been involved with WMC's Kwinana Nickel Refinery and Kalgoorlie Nickel Smelter. He subsequently joined BHP, and later Metals Exploration, where he was involved in the evaluation of gold and base metal projects. Since 1989 he has acted as a Mining Project and Metallurgical Consultant. He was involved in the formation of Anaconda Nickel Limited in 1994 and controlled the technical development of the Anaconda Nickel Ltd Murrin Murrin Joint Venture until the end of 1997. He is a former director of Anaconda Nickel Limited.</p>

SIGNED in accordance with a Resolution of Directors on behalf of the Board.



P R SULLIVAN
Managing Director

Perth, Western Australia
24th February 2004

**CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE HALF-YEAR ENDED 31 DECEMBER 2003**

	Note	31 December 2003 \$	31 December 2002 \$
Revenues from ordinary activities	2	263,144	236,891
Interest expense		(38,881)	(41,062)
Carrying value of tenements sold		(6,359)	-
Writedown in value of carried forward exploration expenditure		(72,724)	(8,544)
Management and consulting expenditure		(66,000)	(66,000)
Other administrative expenditure		(45,176)	(33,363)
Profit from ordinary activities before income tax expense		34,004	87,922
Income tax expense relating to ordinary activities		-	-
Profit from ordinary activities after related income tax		34,004	87,922
Net profit attributable to members of the parent entity		34,004	87,922
 Earnings Per Share			
Basic earnings per share (cents per share)		0.03	0.08
Diluted earnings share (cents per share)		0.03	0.08

The accompanying notes form part of this financial report

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2003**

	Note	31 December 2003 \$	30 June 2003 \$
Current Assets			
Cash Assets		208,014	152,534
Receivables		156,608	13,839
Other financial assets		18,750	-
Total Current Assets		383,372	166,373
Non Current Assets			
Receivables	6	789,585	753,710
Investments accounted for using the equity method	7	1,464,923	1,464,923
Exploration expenditure carried forward	8	1,562,229	1,622,513
Total Non Current Assets		3,816,737	3,841,146
Total Assets		4,200,109	4,007,519
Current Liabilities			
Payables		699,241	800,917
Interest bearing liabilities		623,003	623,003
Total Current Liabilities		1,322,244	1,423,920
Total Liabilities		1,322,244	1,423,920
Net Assets		2,877,865	2,583,599
Equity			
Contributed equity		15,813,691	15,553,431
Accumulated losses		(12,935,826)	(12,969,832)
Total Equity		2,877,865	2,583,599

The accompanying notes form part of this financial report

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2003**

	31 December 2003 \$	31 December 2002 \$
Cash Flows from Operating Activities		
Proceeds from facilitation fee for prospecting rights	100,000	100,000
Exploration expenditure	(9,563)	(31,797)
Payments to suppliers	(3,346)	(72,918)
Interest received	3,315	4,022
Other	579	133,000
	<hr/>	<hr/>
Net Cash Inflows from Operating Activities	90,985	132,307
Cash Flows from Investing Activities		
Proceeds from sale of prospects	7,500	-
Loans to associated entity	(43,005)	(146,300)
	<hr/>	<hr/>
Net Cash (Outflow) from Investing Activities	(35,505)	(146,300)
Net increase / (decrease) in cash held	55,480	(13,993)
Cash at the beginning of the period	152,534	261,636
	<hr/>	<hr/>
Cash at the end of the period	208,014	247,643

The accompanying notes form part of this financial report

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2003**

1. BASIS OF PREPARATION OF HALF-YEAR FINANCIAL REPORT

(a) General Basis

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standard AASB 1029: Interim Financial Reporting, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2003 and any public announcements made by GME Resources Ltd during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The accounting policies have been consistently applied by the entities in the economic entity and are consistent with those applied in the 30 June 2003 annual report.

The half-year report does not include full disclosure of the type normally included in an annual financial report.

(b) Going Concern

This financial report has been prepared on a going concern basis, notwithstanding the deficit in working capital. The directors believe that the going concern basis is appropriate for the following reasons:

- (1) subsequent to year end the Company has announced a fully underwritten rights issue to raise approximately \$4,993,000 and a standby cash facility of \$3,000,000 while this capital raising take place; and
- (2) after deducting amounts owing to substantial shareholders and director related entities, who in the directors' opinion are unlikely to demand immediate payment of amounts outstanding to the detriment of the Company, the working capital is in surplus.

2. REVENUE FROM ORDINARY ACTIVITIES

	31 December 2003 \$	31 December 2002 \$
Operating activities:		
Interest received	3,315	3,891
Proceeds from:		
Facilitation fee for prospecting rights	100,000	100,000
Royalty fees	133,000	133,000
Sale of prospects	26,250	-
Other revenue	579	-
	<hr/>	<hr/>
Total Revenue from ordinary activities	<u>263,144</u>	<u>236,891</u>

3. SEGMENT INFORMATION

There are no individual segments to be reported as the Company's operations are predominantly in the mining industry in Australia.

4. CONTINGENT LIABILITIES

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

5. SUBSEQUENT EVENTS

On the 19 January 2004 the Company announced its intention to accept the offer from the Receivers and Managers of Western Metals Copper Limited to acquire the 62% interest in NiWest Limited that it does not already own for a total cost of \$2,715,025. Upon formal acceptance of that offer by the Company within the 90 day offer period, NiWest Limited would then become a wholly owned subsidiary of GME Resources Limited.

The Company also announced a fully underwritten one for two renounceable Rights Issue at \$0.08 per share to raise approximately \$4,815,000. The number of shares to be issued and the amount raised is dependent on the amount of any current convertible debts of the Company first being converted into shares.

It is planned that the Rights Issue will be completed within the 90 day period, nevertheless it was considered prudent to have a standby facility in place in the event of any unforeseen delay. Accordingly, Retirewise Capital Australia Pty Ltd, a major shareholder of GME Resources Limited, has committed to provide a standby facility of up to \$3 million to the Company for this purpose.

On 6 February 2004 the Company allotted 3,888,889 shares to Retirewise Capital Australia Pty Ltd, 3,333,333 shares (issued at 6 cents per share) relate to the redemption of a convertible note of \$200,000 and the balance 555,556 shares (issued at 6.5 cents per share) to the issue of shares on the same terms as the 1998 Rights Issue. The agreement with Retirewise Capital Australia Pty Ltd allows them to exercise their right to subscribe for shares as if they have participated in any rights issue since the date of the convertible note. The Deed under which the Convertible Notes were issued was approved by the shareholders in a meeting held on 26 August 1997.

6. RECEIVABLES

	31 December 2003	30 June 2003
	\$	\$
Loan to associated entity - NiWest Limited	789,585	753,710

The ultimate recoupment of the above loan is dependent on the successful development and commercial exploitation or alternatively, sale of the respective areas by NiWest Limited.

7. INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD

Associate company		
– NiWest Limited	<u>1,464,923</u>	<u>1,464,923</u>

The associated company balances above resulted from the sale of nickel tenements on 14 September 2000 to NiWest Limited (“NiWest”). NiWest is principally involved in mineral exploration. In direct exchange for the tenements sold, the Company was issued 40% of the issued capital in NiWest. The cost of the investment was accounted for as the carrying value of the tenements sold to NiWest at the time, plus incidental costs. Since September 2000, the Company has elected to dilute its interest and the current balance is approximately 38%.

Prior to the half-year end a Voluntary Administrator was appointed to Western Metals Copper Limited, the majority and co-shareholder with the Company in NiWest. This constituted a default under the NiWest Shareholders Deed and gave rise to a pre-emptive right for the Company to acquire the NiWest holding of Western Metals Copper Limited on the same terms as an independent offer. Subsequent to the half-year end the Receivers and Managers for Western Metals Copper Limited have notified the Company 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, the Company has 90 days to exercise its pre-emptive right to purchase the Western Metals Copper Limited 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.

As a result of this the ultimate recoupment of the above investment is therefore dependent on:

- (1) the purchase of Western Metals Copper Limited’s NiWest Limited interest by the Company and then the successful development and commercial exploitation or, alternatively, sale of the respective tenement areas by NiWest; or
- (2) if the Company does not ultimately purchase Western Metals Copper Limited’s NiWest Limited interest, the sale by the Company of its investment at an amount in excess of the carrying value.

8. EXPLORATION EXPENDITURE CARRIED FORWARD

	31 December 2003 \$	30 June 2003 \$
Exploration expenditure carried forward	<u>1,562,229</u>	<u>1,622,513</u>


The ultimate recoupment of the above deferred exploration expenditure is dependent on the successful development and commercial exploitation or alternatively, sale of the respective areas.

DIRECTORS' DECLARATION

The directors of the company declare that:

- (1) the financial statements and notes set out on pages 4 to 9:
 - (a) comply with Accounting Standard AASB 1029: Interim Financial Reporting and the Corporations Regulations; and
 - (b) give a true and fair view of the economic entity's financial position as at 31 December 2003 and of its performance for the half-year ended on that date.
- (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 made in accordance with a resolution of the directors.



P R SULLIVAN
MANAGING DIRECTOR

Perth, Western Australia
24th February 2004

INDEPENDENT REVIEW REPORT**To the Members of
GME RESOURCES LTD***Scope*

We have reviewed the financial report of GME Resources Ltd for the half-year ended 31 December 2003 as set out on pages 4 to 10. 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 company's directors are responsible for the preparation and presentation of the financial report and the information contained therein.

We have performed an independent review of the financial report 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 Australian Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory professional reporting requirements and statutory requirements in Australia, so as to present a view which is consistent with our understanding of the consolidated entity's financial position and performance as represented by the results of its operations and its cash flows, and in order for the company to lodge the financial report with the Australian Securities and Investments Commission/ Australian Stock Exchange Limited.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. The review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. Our review has not involved a study and evaluation of internal accounting controls, tests of accounting records or tests of responses to inquiries by obtaining corroborative evidence from inspection, observation or confirmation. The 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.

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 Ltd is not drawn up in accordance with:

a) the Corporations Act 2001, including:

- i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2003 and of its performance for the half-year ended on that date; and
- ii) complying with Australian Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations; and

b) other mandatory professional reporting requirements in Australia.

Perth, Western Australia
24 February 2004


HLB MANN JUDD
Chartered Accountants


N G NEILL
Partner