



**GME Resources Limited**  
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30 April 2004

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

**BY E-MAIL**

Dear Sirs

**QUARTERLY REPORT FOR MARCH 2004**

Please find attached the Company's Quarterly Report for March 2004, together with Appendix 5B.

Yours faithfully

**NIELS J KROYER**  
Company Secretary

Enclosure: Appendix 5B.



## GME RESOURCES LTD

ABN 62 009 260 315

# REPORT FOR THE QUARTER ENDING 31 March 2004

### HIGHLIGHTS

- Capital Raising of \$4.8 million successfully completed
- NiWest becomes wholly owned subsidiary after remaining 62% is acquired

### CORPORATE REVIEW

#### NIWEST LTD

During the reporting period the Company exercised its pre-emptive right to acquire from Western Metals Copper Limited (Receivers and Managers Appointed) (in Liquidation) the whole of its shares in NiWest Limited and to take an assignment of the whole of the loan account owed to it by NiWest. The total of \$2,715,025 was paid for the shares and debt, which included a payment of \$200,000 royalty on behalf of NiWest Limited to Murrin Murrin East Pty Ltd.

The recent successful Rights Issue raised \$4,815,000 and closed nearly fully subscribed. The funds have been used to acquire the above mentioned interests in NiWest Limited and the balance will be used to fund future work programmes to advance the value of the nickel resources and repay debt.

The Company is pleased to have finalised this transaction. With the certainty of the ownership now resolved the Directors can now look forward to further developing the NiWest assets to maximise value for the shareholders.

### 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%
Waite Kauri	Inferred	7,180,663	0.96%	0.07%
Duck hill	Inferred	4,054,700	0.96%	0.12%
Macey hill	Inferred	343,700	1.26%	0.12%
Eucalyptus Bore	Indicated	54,945,049	1.01%	0.06%
Eucalyptus Bore	Inferred	14,900,000	1.00%	0.06%
<b>Total Combined</b>		<b>128,104,608</b>	<b>1.00%</b>	<b>0.06%</b>

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

<b>Ni Cut-off</b>	<b>Tonnes</b>	<b>Grade Ni</b>	<b>Grade Co</b>
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%

**Exploration**

The company now intends to carry out further infill drilling of the high-grade zones at Eucalyptus Bore, Mt Kilkenny and other project areas.

Bulk sampling of the higher-grade ore zones will also be taken from Waite Kauri, Mt Kilkenny and Eucalyptus. The bulk sampling will be carried out with the use of a Caldwell bucket rig, which can drill wide diameter holes up to 0.75m. This will allow for the removal of sufficient quantity of high-grade ore to undertake metallurgical test work and screen up grade testing.

Summary of planned exploration is listed below

- Infill RC Drilling

Eucalyptus	4200 metres
Mt Kilkenny	2100 metres
Other Projects	2000 metres

- Bulk Sampling

Waite Kauri	3 holes	105 metres
Mt Kilkenny	2 holes	70 metres
Eucalyptus	2 holes	70 metres

The Company continues to make progress with Native Title issues that affect the NiWest tenement holding. During the quarter, further surveys were carried out over the Mertondale and Waite Kauri projects. An application under section 18 of the Aboriginal Heritage Act 1972 will be submitted to the relevant authority seeking approval to recommence high impact exploration and mining at Waite Kauri and Mertondale prior to the end of April.

**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

Limited exploration was carried out the tenements in the reporting period.

**Leonora East**

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

No reports on exploration activities were received during the reporting period.

**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**

EL52/1482

The Ilgarari copper project hosts a small copper oxide resource defined in the late 1960s, which is located on a seven kilometre shear with extensive historical workings. During the quarter the company commenced a geochemical soil sample programme designed to identify possible target extensions of the known copper mineralisation. Results from this programme will come through in the next reporting period.

**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.



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**PETER SULLIVAN**  
**MANAGING DIRECTOR**

Date: 30 April 2004

## TENEMENT DIRECTORY

Mining tenements held at 31 March 2004 are as follows:

<b>Project</b>	<b>Tenements</b>	<b>Interest at Beginning of Quarter</b>	<b>Interest at End of Quarter</b>
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	MLA37/581	100%	100%
Ghan Well	EL39/679, ( Surrendered )	100%	0%
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,	100%	100%

**LEGEND:**

**E** Exploration Licence      **P** Prospecting Licence      **M** Mining Lease.      **EPM** Exploration Permit for Minerals  
**ELA** Exploration Licence Appln      **PLA** Prospecting Licence Appln      **MLA** Mining Lease Appln      **EPMA** Exploration Permit for Minerals Appln

## Appendix 5B

### Mining Exploration Entity Quarterly Report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

**GME RESOURCES LTD**

ABN

62 009 260 315

Quarter ended ("current quarter")

31 March 2004

#### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	101
1.2 Reimbursements for exploration and evaluation	-	-
Payments for (a) exploration and evaluation	(17)	(27)
(b) development	-	-
(c) production	-	-
(d) administration	(52)	(55)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	9	12
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	61	61
<b>Net Operating Cash Flows</b>	<b>1</b>	<b>92</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:	-	-
(a) prospects	-	-
(b) equity investments	(2,719)	(2,719)
(c) other fixed assets	-	-
1.9 Proceeds from sale of:	-	7
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	(54)	(97)
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>(2,773)</b>	<b>(2,809)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(2,772)</b>	<b>(2,717)</b>

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(2,772)	(2,717)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc	4,487	4,487
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other	-	-
	<b>Net financing cash flows</b>	4,487	4,487
	<b>Net increase (decrease) in cash held</b>	1,715	1,770
1.20	Cash at beginning of quarter/year to date	208	153
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	1,923	1,923

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	-
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

On 29 March 2004 the Company issued as part of the Rights Issue 56,089,504 Ordinary Fully Paid Shares at 8 cents each to raise a total of \$4,487,160.32. The final amount of \$327,662 being the shortfall of 4,095,774 shares at 8 cents each was issued on 5 April 2004.

On 31 March 2004 the Company announced that it has exercised its pre-emptive right to acquire from Western Metals Copper Limited (Receivers and Managers Appointed) (In Liquidation) the whole of its shares in NiWest Limited and to take an assignment of the whole of the loan account owed to it, for a total purchase consideration of \$2,715,025 including payment of the \$200,000 Royalty on behalf of NiWest Limited to Murrin Murrin East Pty Ltd.

As a result of this transaction the Company is now the sole owner of all the issued Shares of NiWest Limited.

### Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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.

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	100
4.2 Development	-
<b>Total</b>	100

+ See chapter 19 for defined terms.

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,912	197
5.2 Deposits at call	11	11
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	1,923	208

**Changes in interests in mining tenements**

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	SEE ATTACHED TENEMENT DIRECTORY		
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference + securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	176,460,060	176,460,060		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	59,978,393	59,978,393		
7.5 <b>+Convertible debt securities</b> <i>(description)</i>	\$300,000 convertible to shares at an issue price of 6 cents per share at any time before 29/6/2004, with interest payable at 7% per annum			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	\$200,000 of Convertible debt was extinguished through issue of shares			
7.7 <b>Options</b> <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

### Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: .....  
(Company Secretary)

Date: 30 April 2004

Print name: NIELS JOHANNES KROYER

### Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.