



GME Resources Limited
ABN 62 009 260 315

Level 2 Troika House
129 Melville Parade Como
Western Australia 6152

Postal: Locked Bag 4
COMO WA 6952

Phone: (618) 9474 1799
Fax: (618) 9474 2281

E-mail: enq@gme-resources.com.au

1 October 2004

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

BY E-MAIL

Dear Sirs

Infill drilling at the company's Kilkenny and Hepi Nickel Laterite Projects confirms high grade Nickel and Cobalt mineralisation

The company has recently completed a Reverse Circulation drilling programme at the Kilkenny and Hepi projects located respectively 30 kilometers south and 10 kilometers west of the Murrin Murrin Joint Venture nickel cobalt refinery.

The drill programme undertaken represents the first phase of infill drilling to test for continuity of high-grade nickel and cobalt mineralisation discovered by previous exploration.

Kilkenny Project

An inferred resource containing 12.0 million tonnes grading 1.28% nickel and 0.07% cobalt had previously been established on the tenement.

Drilling centered on the north - eastern ultramafic area where previous drilling had intersected nickel and cobalt grades in excess of 1.3% nickel and 0.20% cobalt.

A total of 52 vertical holes for 1883 metres were drilled at an average hole depth of 36.2 metres.

Of the 52 holes completed 24 intersected high-grade mineralisation. A number of holes were positioned to locate the outer extremities of the resource. The results from holes located on the ultramafic unit between **6787100N** and **6786100N** (AMG) confirmed that significant high-grade nickel and cobalt mineralisation exists over a distance of 1000 metres in length and up to 400 metres wide. Combining results from previous and new drilling, the average intersection (using a 1% nickel cut off grade) of mineralisation over this area is 6.9 metres thick with a weighted average grade of 1.48% nickel and 0.16% cobalt.

Further infill drilling is now planned to upgrade the resource to Indicated status under JORC standards.

Hepi Project

An inferred resource containing 2.6 million tonnes grading 1.26% nickel and 0.10% cobalt had previously been established on the tenements.

The drill programme was designed to test continuity of the high-grade component of the resource and to test the correlation of RC drilling with previous RAB drill results. Table 3 shows clear correlation between the two sets of results, providing confidence that the previous resource estimate can be confirmed.

The programme has confirmed the continuity of the high-grade mineralisation between **6806600N** and **6805900N** (AMG) over an area 700 metres in length and up to 150 metres wide. The average intersection (using a 1% nickel cut off grade) of mineralisation over this area is 4.8 metres thick with a weighted average grade of 1.35% nickel and 0.13% cobalt (cobalt values from new drilling only).

Further Infill Drilling

More drill programmes are being planned to further test both of the above projects over the next two months. Drilling will also commence at the Eucalyptus Bore and Macey Hill projects. The Eucalyptus Bore project has an established inferred resource of 16.9 million tonnes grading 1.28% nickel and 0.09% cobalt. The programs will be centered on areas that have previously returned grades in excess of 1.3% nickel and 0.10% cobalt.

Tables 1 & 2 on the following page show the results of the significant intercepts on each of the projects and table 3 shows the correlation of results from RAB drilling to RC drilling at the Hepi project.

Yours faithfully

JAMIE SULLIVAN
Managing Director

The information in this report that relates to Mineral Resources is based on information compiled by Mick Elias, who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Elias has sufficient experience which is relevant to the style of mineralisation under consideration to qualify as a Competent Person as defined in the 1999 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves"

SIGNIFICANT RESULTS (Locations are AMG)

Table 1

KILKENNY PROJECT

Hole ID	Northing	Easting	From (m)	To (m)	Thickness	%Ni	%Co
MKC0003	6787104	383422	42	45	3	0.99	0.13
MKC0004	6787113	383523	39	49	10	1.57	0.13
MKC0005	6787110	383624	39	46	7	1.76	0.13
MKC0006	6787118	383720	53	62	9	1.73	0.12
MKC0007	6787105	383817	43	47	4	1.75	0.10
MKC0015	6786702	383431	33	37	4	1.53	0.02
MKC0016	6786701	383528	41	44	3	1.53	0.22
MKC0018	6786705	383730	46	53	7	1.32	0.14
MKC0022	6786303	383430	39	43	4	1.27	0.21
MKC0023	6786303	383535	39	43	4	2.11	0.57
MKC0025	6786302	383729	42	46	4	1.11	0.21
MKC0028	6785904	383531	21	25	4	1.10	0.10
MKC0030	6785907	383740	43	47	4	1.41	0.12
MKC0031	6785909	383826	49	52	3	0.99	0.06
MKC0035	6785501	383732	22	32	10	1.27	0.07
MKC0037	6785102	383532	6	8	2	1.20	0.17
MKC0038	6785111	383636	5	7	2	1.34	0.21
MKC0039	6785103	383731	15	20	5	1.09	0.09
MKC0041	6784696	383521	18	20	2	1.52	0.05

Table 2

HEPI PROJECT

HPC0002	6805906	381853	1	7	6	0.90	0.04
HPC0003	6805911	381955	8	11	3	1.25	0.20
HPC0004	6806304	381950	12	15	3	0.95	0.14
HPC0005	6806313	382042	24	27	3	1.20	0.08
HPC0007	6806451	382040	15	20	5	1.65	0.13
HPC0008	6806451	382139	14	19	5	1.98	0.30
HPC0009	6806457	382249	19	21	2	1.61	0.30
HPC0010	6806612	382101	10	14	4	1.13	0.08
HPC0011	6806601	382159	21	24	3	1.12	0.09

TABLE 3 TWIN HOLE COMPARISON - HEPI PROJECT

RAB HOLE	WIDTH	GRADE	RC HOLE	WIDTH	GRADE
HPRB103	6m	1.48%Ni	HPC007	7m	1.49%Ni
HPRB105	10m	1.52%Ni	HPC008	10m	1.48%Ni
HPRB028	10m	1.14%Ni	HPC009	9m	1.28%Ni