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The Companies Announcement Office
Australian Stock Exchange Limited
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BY E-MAIL

Dear Sirs

FURTHER ENCOURAGING DRILL RESULTS AT THE COMPANY'S KILKENNY, EUCALYPTUS AND CAMELBACK PROJECTS CONFIRMS HIGH GRADE NICKEL AND COBALT MINERALISATION

The Company has recently completed a Reverse Circulation drill programme at the Kilkenny, Eucalyptus and Camelback projects located respectively 30 kilometers south, 55 kilometers south east of the Murrin Murrin Joint Venture nickel cobalt refinery.

Results from the drill programme provide further encouragement that all three project areas contain significant high-grade nickel laterite resources. The infill drilling was designed to test for continuity of high-grade nickel and cobalt mineralisation discovered by previous exploration.

A new drill programme will commence at Kilkenny by mid January 2005. Once completed all three projects (Kilkenny Eucalyptus and Camelback) will be drilled out on a 100-metre by 100-metre drill pattern. This will enable new resource calculation to be undertaken to determine the grade and tonnes of the respective projects at indicated JORC standard.

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. The infill drill programme was centred on previous high-grade zones of mineralisation with grades in excess of 1.2% nickel.

Drilling was located within the central northeast ultramafic area, immediately south of the previous programme reported in October 2004. A total of 20 vertical holes for 695 metres were drilled at an average depth of 34.75 metres. Details of the significant nickel – cobalt intercepts are listed in table 1. A third infill programme comprising of approximately 2500m will commence on the northeast zone in mid January 2005.

Table 1

Kilkenny Central Northeast Significant Intercepts
Based on nickel cut off grade 1.2% Minimum width 2m

Hole	Northing	Easting	From	To	Thickness	Ni %	Co %
MKC053	6784695	383500	15	22	7	1.510	0.022
MKC054	6784695	383600	15	31	16	1.575	0.142
<i>MKC054</i>	<i>Including</i>		<i>19</i>	<i>25</i>	<i>4</i>	<i>2.020</i>	<i>0.142</i>
MKC060	6784800	383600	17	27	10	1.544	0.074
MKC061	6784800	383700	14	24	10	1.789	0.098
MKC062	6785000	383500	14	22	8	1.420	0.074
MKC063	6785000	383600	11	22	10	1.398	0.013
MKC070	6785400	383750	21	34	12	1.508	0.066
MKC072	6785600	383750	21	39	18	1.258	0.132

Eucalyptus Project

The Eucalyptus project is located approximately 55 to the south east of the Murrin Joint Venture nickel cobalt refinery. Previous drilling has delineated an inferred resource of 16.9 million tonnes grading 1.28% nickel and 0.09% cobalt. This resource includes the camelback project, which is located 1.5km from Eucalyptus.

Drilling at both Eucalyptus and Camelback was centred on the known high-grade mineralisation and was designed to test continuity of grade between the current drill lines. In addition to this a number of holes were located to close out mineralisation on the extremities of the resource. Details of the holes drilled at each area are listed below. Significant results from the programme are detailed in tables 3, 4 and 5.

Table 2

<i>Prospect</i>	<i>Planned holes</i>	<i>Actual holes</i>	<i>Total meters drilled</i>	<i>Average</i>
Eucalyptus Central	37	36	962	26.72m
Eucalyptus North	19	19	492	25.89m
Camelback	36	37	883	23.86m
Totals	92	92	2337	25.49m

Table 3

Eucalyptus Central Significant Intercepts
Based on nickel cut off grade 1.2% Minimum width 2m

Eucalyptus Central 1.2							
Hole	Northing	Easting	From	To	Thickness	Ni %	Co %
EBC114	6768747	422123	10	13	3	1.320	0.182
EBC115	6768747	422178	10	14	4	1.743	0.048
EBC116	6768846	422212	8	12	4	1.403	0.036
EBC120	6768952	422097	10	16	6	1.985	0.181
EBC121	6768952	422134	13	25	12	1.586	0.057
EBC122	6768952	422185	7	30	13	1.239	0.064
EBC125	6769151	421759	26	37	11	1.920	0.111
EBC125	6769151	421759	41	52	12	1.258	0.047
EBC126	6769149	421948	7	14	7	1.303	0.126
EBC130	6769160	422149	6	11	5	1.604	0.165
EBC133	6769320	421850	28	30	2	1.515	0.041
EBC134	6769319	421845	17	19	2	1.315	0.117
EBC135	6769320	421899	3	12	9	1.805	0.112
<i>EBC135</i>	<i>Including</i>		8	12	4	2.577	0.200
EBC138	6769319	421996	5	10	5	1.169	0.027
EBC142	6769421	421795	19	38	19	1.534	0.096
EBC147	6769651	421845	8	12	4	1.415	0.083
EBC148	6769652	421899	4	8	4	1.487	0.182
EBC148	6769652	421899	12	15	3	1.410	0.097

Table 4

Eucalyptus North Significant Intercepts
Based on nickel cut off grade 1.2% Minimum width 2m

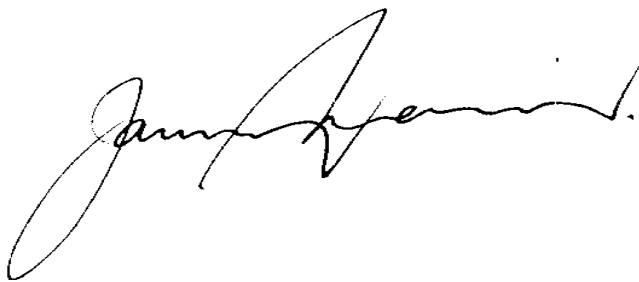
Eucalyptus North 1.2							
Hole	Northing	Easting	From	To	Thickness	Ni %	Co %
EBC150	6773697	421897	17	20	3	1.280	0.085
EBC151	6773704	421787	7	13	6	1.392	0.062
EBC151	6773704	421787	25	31	6	1.498	0.087
EBC153	6773391	421994	9	13	4	1.285	0.099
EBC154	6773400	421895	5	12	7	1.409	0.057
EBC155	6773401	421794	10	12	2	1.355	0.143
EBC157	6773121	422004	14	21	7	1.300	0.072
EBC159	6773126	421800	14	24	10	1.563	0.099
EBC162	6772872	421997	17	19	2	1.270	0.120
EBC164	6772870	421799	13	19	6	1.312	0.071

Camelback Project**Table 5**

Camelback Significant Intercepts

Based on nickel cut off grade 1.2% Minimum width 2m

Camelback1.2							
Hole	Northing	Easting	From	To	Thickness	Ni %	Co %
EBC170	6767647	423899	23	26	2	1.430	0.276
EBC172	6767197	423900	8	19	11	1.336	0.065
EBC173	6767197	423801	18	20	2	1.255	0.054
EBC174	6766940	423845	9	12	3	1.390	0.096
EBC175	6766942	423747	11	13	2	1.210	0.352
EBC177	6766744	423861	18	23	5	1.797	0.047
EBC178	6766746	423747	21	39	18	1.479	0.086
EBC181	6766553	423725	10	20	10	1.495	0.063
EBC182	6766550	423822	6	16	10	1.529	0.072
EBC186	6766174	423648	6	13	7	1.751	0.131
EBC189	6765955	423747	14	17	3	1.343	0.222
EBC190	6765947	423650	2	6	4	1.820	0.232
EBC193	6765750	423751	6	16	10	1.616	0.165
EBC194A	6765749	423653	21	25	4	1.525	0.084
EBC197	6765550	423752	16	21	5	1.355	0.098
EBC199	6765554	423552	24	29	5	1.396	0.054



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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.