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

BY E-MAIL

Dear Sirs

NICKEL SULPHIDE INITIATIVES

Joint Venture Agreement with Jindalee Resources Ltd on Kilkenny West Tenements

GME Resources Limited (ASX: GME) is pleased to announce that it has reached agreement on the terms of a joint venture with Jindalee Resources Ltd (ASX: JRL) covering tenements E39/990 and ELA39/1032, which adjoin the company's Kilkenny project in the northeastern goldfields of WA.

Terms of the Joint Venture include:

- Cash payment of \$10,000 on signing
- GME must spend a minimum of \$40,000 on the tenements in the first 12 months before withdrawing from the joint venture.
- GME can earn 70% equity in the tenements by spending \$500,000 in exploration within a period of 4 years.
- On completion of GME earning a 70% interest, Jindalee can elect to contribute their pro-rata share of expenditure or dilute their interest by 1% for every \$40,000 spent by GME until the JRL interest reduces to 20%. At this point Jindalee remain free-carried with respect to expenditure until completion of a bankable feasibility study.

The Jindalee tenements are located immediately to the west of the company's Kilkenny project and adjoin three recent exploration licence applications (ELA39/1107 - ELA39/1109) made by the company (see plan attached). The total area controlled in the Kilkenny region is now 225 square kilometres.

Nickel Sulphide Potential

The company recently engaged CSA Australia to complete an assessment of the Kilkenny area for potential to host nickel sulphide mineralisation. The report covered work conducted on the Kilkenny area by previous explorers and included an assessment of bedrock chemistry on samples taken from the bottom of hole in drilling the nickel laterite resources. The report has identified four chemical anomalies that indicate potential for nickel sulphide mineralisation below the Mt Kilkenny nickel laterite resource.

There has been no prior exploration directed at nickel sulphide mineralisation within the Kilkenny project area and in particular, the basal contact has not been drill tested on any of the ultramafic units. Located above the chemical targets the company has identified an inferred resource of 12 million tonnes of lateritic ore grading 1.28% nickel.

GME Application for Exploration Licenses ELA39/1107 - 1109

The company has recently made application for three exploration licences that adjoin the Kilkenny project.

ELA 39/1108 lies to the west of Kilkenny. The Keith-Kilkenny lineament runs through the tenement on a northwesterly trend. Exposure in this area is poor with soil cover over the Keith-Kilkenny lineament up 100 metres thick.

In August 2000, Rockwater Pty Ltd carried out a number of TEM Surveys over the area in search for water channels. A highly conductive area was discovered on one of the line traverses. Rockwater describes the likely source of the resistivity to be a bedrock conductor in association with the Keith-Kilkenny lineament. This area represents an immediate exploration target. The Jindalee Joint Venture Tenements are located between ELA39/1108 and the Kilkenny laterite project. The Jindalee tenements cover a further seven kilometres of strike to the southwest on the Keith – Kilkenny lineament and also host a number of ultramafic units that may be prospective for nickel sulphide.

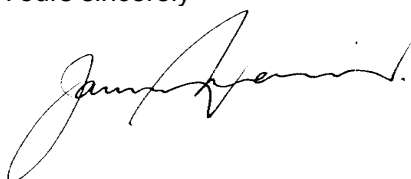
ELA 39/1107 is to the east and south of the Kilkenny laterite project and includes the Mt Kildare copper zinc prospect. Exploration drilling for base metals (copper and zinc) in the early seventies reported drill intercepts of up to 5% zinc. Rock chip sampling returned copper assays up to 11%.

Eucalyptus Bore

The company also intends to investigate the Nickel Sulphide potential of the company's extensive holdings at Eucalyptus Bore. Prior operators reported disseminated sulphides in petrology samples taken from diamond drilling at Eucalyptus Bore. Drilling in this area failed to test the basal contacts and no follow up work for nickel sulphides was undertaken. Within the Eucalyptus project GME has delineated an inferred laterite resource of 16.9 million tonnes grading 1.28% nickel.

GME also is considering the option of Joint Venturing the exploration for nickel sulphides on the projects with experienced nickel sulphide exploration and mining groups.

Yours sincerely



JAMIE SULLIVAN
MANAGING DIRECTOR
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
GME RESOURCES LTD

Mt Kilkenny Project


LEGEND

• RC Drillhole

 Ultramafic Rocks

 Nickel Sulphide Target
Zone I,II,II,IV

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JOINT VENTURE