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ASX Announcement – 27 October 2005

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

Dear Sirs,

Nickel laterite results from Murrin North and Eucalyptus projects

The company is pleased to announce results from a reverse circulation drilling program recently completed at Murrin North and Eucalyptus projects. The work was undertaken on two of the company's project areas within the Murrin Murrin region of WA.

Murrin North

The Murrin North project is located approximately four kilometers North West of the Murrin Murrin nickel refinery. The company has previously reported that the project area contains an inferred resource of 2.7 million tonnes grading 1.26% nickel and 0.11% cobalt.

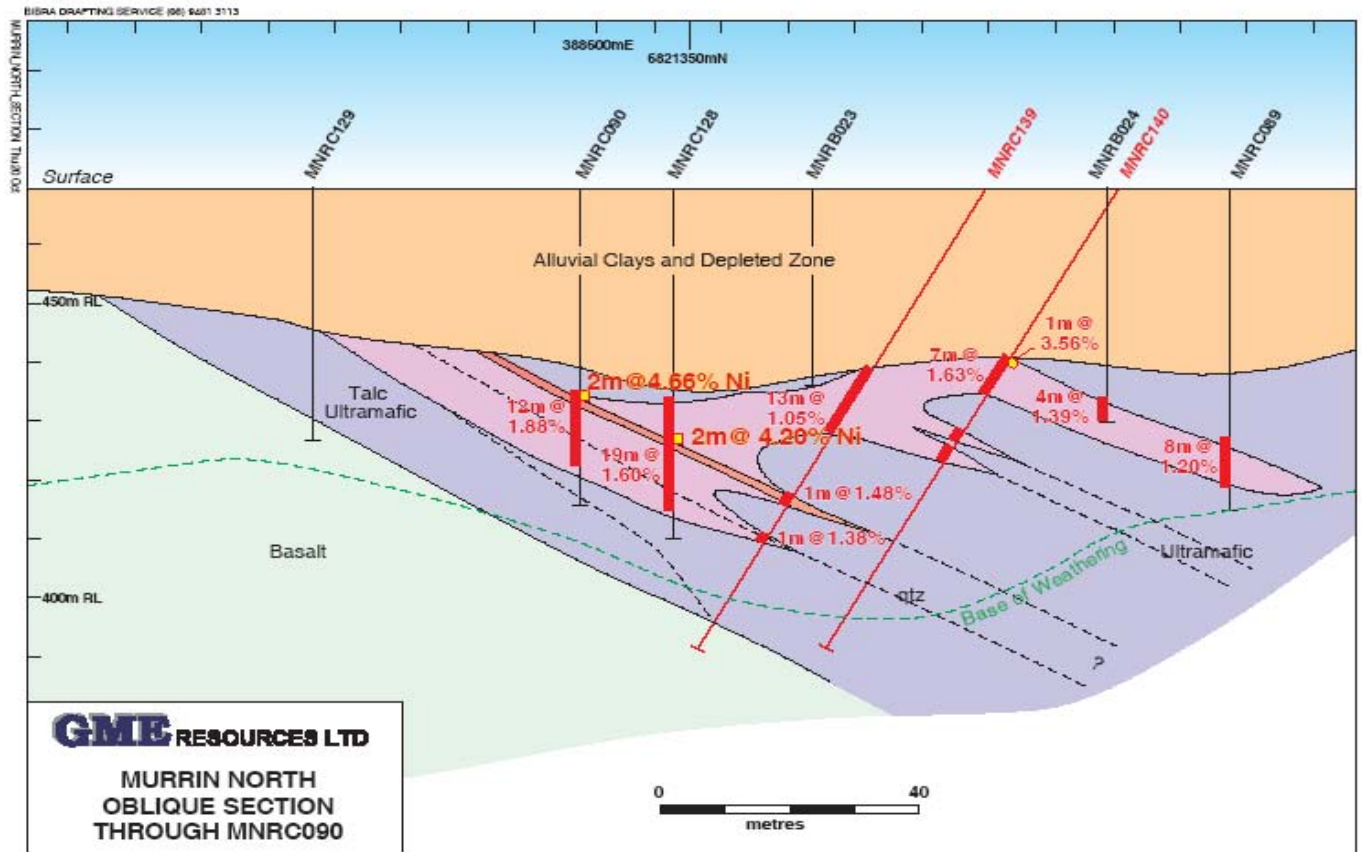
Ten angle holes and fifteen vertical holes were completed in the September program. The objective of the angle drilling was to test the western area down dip and along strike of the high nickel grades (+4%Ni) within holes MNRC090 and MNRC128. The remaining vertical holes drilled were to complete the infill resource drilling program to indicated status.

Results from the angle holes drilled under the high grade nickel intercepts in MNRC090 and MNRC128 show that nickel grade decreases with depth down the chloritic zones. Hole MNRC139 intercepted two one metre zones of oxidised nickel mineralization grading 1.48% and 1.38% at 60 metres and 67 metres. Both of these intercepts were still within the oxidised zone. The result indicates that the high nickel grades are probably related to supergene and solution migration.

The drilling has highlighted that there is potential for additional zones of high grade mineralization within the resource. Hole MNRC140 intercepted one metre grading 3.67% nickel at 36 metres and holes MNRC109 and MNRC154 recorded one metres intercepts at 2.97% and 3.15% nickel respectively. The company believes that it is likely with further infill drilling, additional high grade mineralization will be intersected. Table two lists the intercepts to date with grades greater than 2.5% nickel.

The company is now preparing an updated resource statement for the Murrin North project. Table one lists the significant drill results from the September drilling program and the cross section below provides a geological interpretation of the mineralization intercepted through MNRC090.

Murrin North oblique section showing interpreted geology and nickel intercepts from vertical and angle drilling.



Significant results from the September program are listed in the following table.

Table One Murrin North Project 1% Nickel cut off

Hole Number	E-GDA94	N-GDA94	From	To	Intercept	Ni%	Co%
MNRC0139	388642	6821304	35	48	13	1.05	0.08
MNRC0139	388642	6821304	60	61	1	1.48	0.09
MNRC0139	388642	6821304	67	68	1	1.38	0.03
MNRC0140	388658	6821291	33	40	7	1.63	0.15
MNRC0140	388658	6821291	51	53	2	1.02	0.03
MNRC0141	388444	6821082	27	43	16	1.36	0.07
MNRC0142	388468	6821051	18	24	6	1.39	0.10
MNRC0142	388468	6821051	29	30	1	1.25	0.05
MNRC0144	388111	6820710	25	26	1	1.01	0.05
MNRC0144	388111	6820710	43	45	2	1.06	0.05
MNRC0144	388111	6820710	59	60	1	1.05	0.04
MNRC0145	388556	6821237	43	60	17	1.10	0.08
MNRC0146	388585	6821219	38	42	4	1.02	0.08
MNRC0146	388585	6821219	51	52	1	1.13	0.03
MNRC0148	388518	6821151	34	43	9	1.24	0.06
MNRC0149	388972	6821540	28	39	11	1.30	0.07
MNRC0151	388915	6821455	31	35	4	1.25	0.09
MNRC0152	388743	6821501	45	47	2	1.05	0.10
MNRC0153	388793	6821433	36	43	7	1.15	0.06
MNRC0154	388686	6821405	25	26	1	1.04	0.19
MNRC0154	388686	6821405	31	51	20	1.64	0.09
MNRC0155	388749	6821341	30	35	5	1.52	0.06
MNRC0156	388265	6820954	38	45	7	1.09	0.06
MNRC0159	388137	6820828	37	54	17	1.13	0.04
MNRC0160	388021	6820638	20	27	7	1.56	0.06
MNRC0161	387937	6820601	26	32	6	1.49	0.22
MNRC0162	383985	6820541	19	22	3	1.28	0.05
MNRC0163	387893	6820478	24	29	5	1.43	0.10

Table Two Murrin North grade intercepts greater than 2.5% nickel

Hole Number	From	To	Intercept	Ni%
MNRC090	32	33	1	2.51
MNRC090	38	39	1	4.10
MNRC090	40	41	1	5.22
MNRC109	34	34	1	2.97
MNRC128	36	37	1	3.35
MNRC128	39	40	1	5.05
MNRC140	37	38	1	3.56
MNRC145	33	34	1	2.72

Eucalyptus Project

Eucalyptus South

The second stage of the September drill program was completed at the Eucalyptus South area. This area of laterised ultramafics is a continuation of the Camelback resource. *(Indicated resource 3.6 million tonnes grading 1.25%Ni and 0.09%Co).*

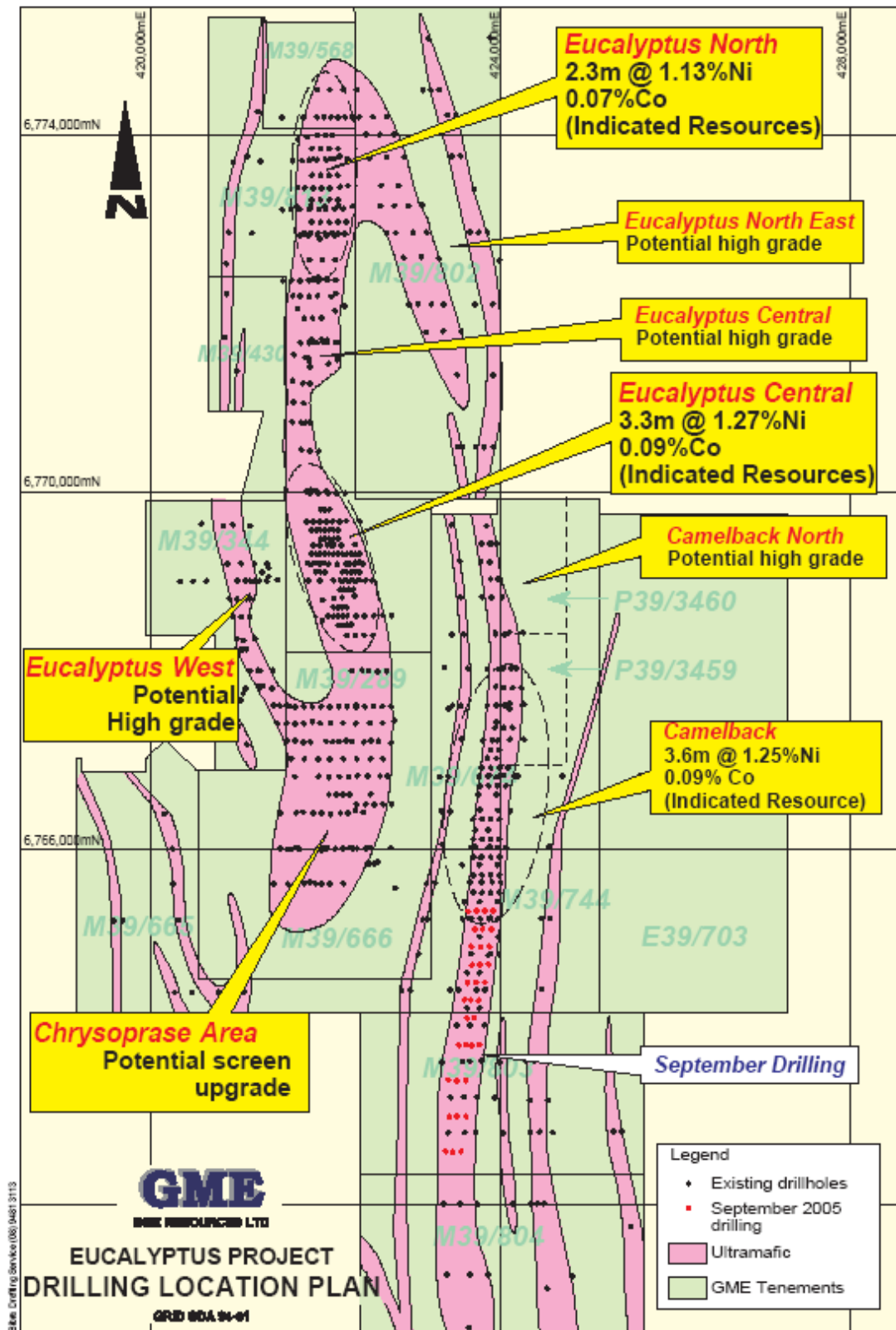
Infill drilling over approximately 2.5 kilometers of strike was undertaken where previous drilling results that had intersected nickel grades greater than 1.00%. The drilling has confirmed that the Camelback mineralized zone extends for approximately 1500 metres to the south and is at least 100 metres in width. Drill density over the mineralized area is almost at an indicated status. Planning has commenced on a follow up drill program to complete the infill drilling and upgrade the resource to indicated status.

Significant results from the September program are listed in the following table.

Eucalyptus South

1% Nickel cut off

Hole Number	E-GDA94	N-GDA94	From	To	Intercept	Ni%	Co%
EBC0231	423827	6765302	13	20	7	1.29	0.12
EBC0232	423726	6765298	9	12	3	0.99	0.16
EBC0235	423794	6765098	14	18	4	1.51	0.17
EBC0236	423701	6765097	10	12	2	1.26	0.09
EBC0238	423774	6764898	11	15	4	1.04	0.05
EBC0241	423765	6764696	7	9	2	1.26	0.04
EBC0241	423765	6764696	11	17	6	1.03	0.06
EBC0242	423677	6764696	7	9	2	1.11	0.05
EBC0242	423677	6764696	15	17	2	1.00	0.04
EBC0243	423822	6764500	7	14	7	1.39	0.071
EBC0244	423722	6764502	4	6	2	1.17	0.02
EBC0244	423722	6764502	11	16	5	1.26	0.16
EBC0244	423722	6764502	23	24	1	1.02	0.03
EBC0245	423625	6764498	3	9	6	1.04	0.05
EBC0246	423589	6764304	14	23	9	1.03	0.05
EBC0247	423661	6764300	22	23	1	1.08	0.04
EBC0247	423661	6764300	39	45	6	1.09	0.03
EBC0248	423749	6764296	6	16	10	1.16	0.05
EBC0248	423749	6764296	19	31	12	1.76	0.01
EBC0249	423620	6764099	14	19	5	1.14	0.07
EBC0250	423698	6764103	4	12	8	1.25	0.17
EBC0250	423698	6764103	14	23	9	1.00	0.04
EBC0250	423698	6764103	26	36	10	1.03	0.03
EBC0252	423671	6763797	8	10	2	1.15	0.03
EBC0258	423606	6762996	2	9	7	1.30	0.22

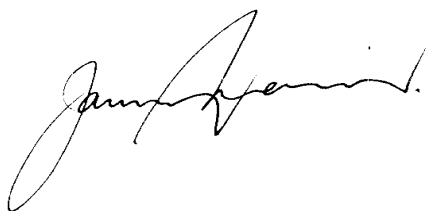


Updated Resources Statement

The company is at an advanced stage of reviewing all work that has been undertaken on its nickel laterite project. Over the past twelve months the company has completed approximately 17000 metres of infill reverse circulation drilling. Results from this drilling combined with previous work will be used to produce updated resource statements for the respective projects areas.

Planning for drill programs at the Hepi and Eucalyptus projects are in progress with drilling scheduled to commence in early December.

Yours sincerely



Jamie Sullivan
Managing Director

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Bill Hill who is a member of The Australasian Institute of Mining and Metallurgy. Mr Hill is self employed and consults to the Company as and when required, Mr Hill has sufficient experience, which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves. Mr Hill consents to the inclusion in the report of the matters based on information provided in the form and context in which it appears.