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11 November 2005

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

Dear Sir

GME UPGRADES NICKEL LATERITE RESOURCE TONNAGE AND GRADE

- **17,000 metres of reverse circulation drilling completed since August 2004**
- **Major increase in drill indicated High Grade Nickel Laterite resources to 16.5 million tonnes at 1.43% Ni and 0.11% Co**
- **Potential to increase High Grade Nickel Laterite resource with further infill drilling and testing of new targets**

Resource Statement

The company is pleased to announce a major increase in **High Grade Nickel Laterite resources**, now at an indicated status, within its tenements in the Murrin region of WA. The total indicated resources, for a 1.2 % Ni cut off, stands at 16.47 million tonnes at 1.43 % Ni and 0.11 % Co and is the result of a number of successful infill drill programs carried out at the **Mt Kilkenny, Eucalyptus** and the **Murrin North** project areas over the past twelve months.

Table 1 highlights the higher grade resources at Waite Kauri and the above mentioned projects. The indicated resource tonnes in this high grade category are expected to increase as other project areas are upgraded from inferred to indicated status.

Table 1 - Indicated / Measured Resource Statement at 1.2% Nickel cut off grade

| Project | Category | Million Tonnes | % Ni | % Co |
|--------------|---------------------------|----------------|-------------|-------------|
| Mt Kilkenny | Indicated | 9.28 | 1.43 | 0.12 |
| Eucalyptus | Indicated | 5.80 | 1.40 | 0.10 |
| Murrin North | Indicated | 1.36 | 1.50 | 0.10 |
| Waite Kauri | Measured/Indicated | 0.65 | 1.48 | 0.08 |
| Total | Measured/Indicated | 16.47 | 1.43 | 0.11 |
| Total | Inferred | 6.65 | 1.34 | 0.08 |
| Total | Combined | 23.12 | 1.40 | 0.10 |

The company is encouraged by the conversion rate being achieved in going from inferred to indicated resource status. In the areas tested to date over 80% of the prior inferred resources (1% Ni cut off) have been converted to indicated status.

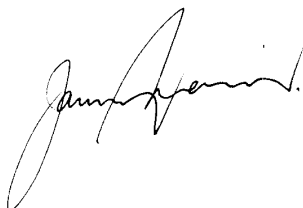
Significant areas that remain for infill drilling and conversion to an indicated resource basis are Eucalyptus Central, Eucalyptus North, Camelback South, Camelback North in the Eucalyptus project and Hepi, Duck Hill and Mertondale. This drilling is to be undertaken in a systematic manner with another program planned to commence during December. This program is also scheduled to test a number of new target areas identified through detailed aeromagnetics and ground reconnaissance.

A break down of **total resources**, at a 1 % Ni Cut off, is given by project area in Table 2 and highlights the potential for further resource conversion from inferred to indicated status.

Table 2 – Total Resource Statement at 1% Nickel cut off grade

| Project | Category | Million Tonnes | % Ni | % Co |
|--------------|------------------|----------------|-------------|-------------|
| Mt Kilkenny | Indicated | 13.72 | 1.29 | 0.10 |
| Mt Kilkenny | Inferred | 1.37 | 1.14 | 0.07 |
| Eucalyptus | Indicated | 9.25 | 1.23 | 0.08 |
| Eucalyptus | Inferred | 9.46 | 1.19 | 0.07 |
| Waite Kauri | Measured | 1.30 | 1.33 | 0.14 |
| Murrin North | Indicated | 2.15 | 1.34 | 0.09 |
| Murrin North | Inferred | 0.97 | 1.14 | 0.11 |
| Hepi | Inferred | 2.60 | 1.26 | 0.10 |
| Mertondale | Inferred | 1.20 | 1.24 | 0.08 |
| Macey Hill | Inferred | 0.30 | 1.40 | 0.15 |
| Duck Hill | Inferred | 1.50 | 1.27 | 0.30 |
| Total | Indicated | 26.47 | 1.28 | 0.10 |
| Total | Inferred | 17.41 | 1.21 | 0.10 |
| Total | Combined | 43.83 | 1.25 | 0.10 |

Yours faithfully



JAMIE SULLIVAN
MANAGING DIRECTOR

The information in this report that relates to Mineral Resources is based on information compiled by Mr Bill Hill and Mr Steve Goertz, who are Members of The Australasian Institute of Mining and Metallurgy. Mr Hill has sufficient experience which is relevant to the style of mineralisation under consideration to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves"