



GME RESOURCES LTD
ABN 62 009 260 315

Level 2, 907 Canning Highway
Canning Bridge
Western Australia 6153

**Postal: Post Office Box 920
CANNING BRIDGE WA 6953**

Phone: (618) 93159057
Fax: (618) 93159037

Email: enq@gmeresources.com.au

ASX Announcement – 29 March 2006

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

Dears Sirs,

NIWEST PROJECT SHAPES UP AS WORLD CLASS NICKEL DEPOSIT

- **Total Resource - Up 11% to 48.77 Million Tonnes at 1.25% Nickel 0.10% Cobalt**
- **Indicated Resource - Up 33% to 35.36 Million Tonnes at 1.28% Nickel 0.09% Cobalt**
- **Contained Metal 610,000 Tonnes Nickel and 48, 770 Tonnes Cobalt**
- **Heap Leach development potential.**

Resource Tonnage

The company is pleased to announce an upgrade in both Total Resource tonnes and the Indicated Resource category for GME's 100% owned NiWest nickel laterite project in the Murrin Murrin region of Western Australia (see Project Area map Appendix 2). The new resource calculations flow from a series of recent drill programs completed at Eucalyptus and Hepi. Details of the resources at a 1% Nickel cut off grade are listed in Table 1.

The Eucalyptus area delivered the most significant increase in Indicated tonnes where a further 7.7 million tonnes (up 82% from 9.4 million tonnes to 17.7 million tonnes) were upgraded from Inferred to Indicated Status. The Hepi area contributed 1.08 million tonnes of saprolite ore averaging 1.53% Nickel 0.11% Cobalt.

The Total resource at a 1% Ni cut off has increased by 11%, up from 43.7 million tonnes to 48.77 million tonnes at 1.25 % Ni and 0.10% Co.

Indicated resources now represent 72% of the Total project resource and the company is confident that the ongoing drilling programs will result in further upgrades to the resource.

High Grade Resource

Total drill Indicated Resource in the high grade category (1.2% Ni cut off) increased to 21.54 million tonnes at 1.44% Ni and 0.11% Co. Details of the high grade resource by project area are listed in Table 2.

Table 1: NiWest Resource Base at 1% Ni Cut Off

Project Area	Category	Million Tonnes	% Ni	% Co
Mt Kilkenny	Indicated	13.73	1.29	0.10
Mt Kilkenny	Inferred	1.38	1.14	0.07
Eucalyptus	Indicated	17.10	1.24	0.08
Eucalyptus	Inferred	7.10	1.16	0.09
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	Indicated	1.08	1.53	0.11
Hepi	Inferred	0.96	1.19	0.11
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/Measured	35.36	1.28	0.09
Total	Inferred	13.41	1.18	0.11
Total	Combined	48.77	1.25	0.10

Table 2: NiWest Resource Base at 1.2% Ni Cut Off

Project	Category	Million Tonnes	%Ni	%Co
Mt Kilkenny	Indicated	9.28	1.43	0.12
Mt Kilkenny	Inferred	0.50	1.29	0.11
Eucalyptus	Indicated	9.43	1.41	0.10
Eucalyptus	Inferred	3.27	1.31	0.10
Hepi	Indicated	0.82	1.67	0.12
Hepi	Inferred	0.42	1.41	0.13
Murrin North	Indicated	1.36	1.50	0.10
Murrin North	Inferred	0.24	1.39	0.15
Waite Kauri	Measured	0.57	1.46	0.10
Waite Kauri	Indicated	0.08	1.66	0.08
Waite Kauri	Inferred	0.11	1.31	0.07
Total	Indicated/Measured	21.54	1.44	0.11
Total	Inferred	4.54	1.32	0.10
Total	Combined	26.08	1.42	0.11

Development Strategy

Over the past eighteen months the Company's primary focus has been resource expansion and conversion of existing resources to Indicated status through a series rolling drill campaigns. The strategy has proved highly successful with an increase in Total Resource achieved and over 70 % of the resource now in the JORC **Indicated Category**. These short drilling campaigns will continue, however, the company's focus is now moving towards development options for the project.

In particular, drilling has identified near surface, high grade saprolite/saprock resources at Hepi, Mt Kilkenny and Waite Kauri (4.0 million tonnes at 1.33% Ni and 0.09% Co). These saprock ore types are friable, porous, low in clay content and are considered to be highly amenable to Heap Leach technology. As such they provide the basis for a potential low capital and low operating cost development relative to HPAL technologies.

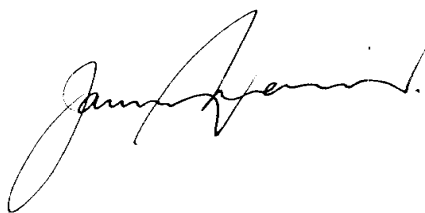
This approach is particularly suited to a company of GME's size and SGS Lakefield Orestest has been commissioned to undertake testwork to establish Heap Leach metallurgical parameters. These tests will include agglomeration and 45 day bottle rolls to be followed by column tests ***The combined in ground metal content of the above 4.0 million tonne resource is 53,000 tonnes Nickel and 3600 tonnes Cobalt which, at current metal prices, is valued at \$1.2 billion.***

It is noted that the Murrin Murrin Joint Venture has recently announced that they intend to fund a \$12 million study on heap leaching of saprolitic ores, this is in addition to the \$25 million commitment to build a demonstration plant for heap leaching of scats.

Ongoing Drill Program

Drilling is about to commence at the Hepi project. The program of infill and step out holes will take the saprock resource to measured category and test the eastern and southern boundaries of the deposit where mineralization is still open. Following Hepi the rig will move to Eucalyptus where 2000 metres of resource expansion and infill drilling will be completed.

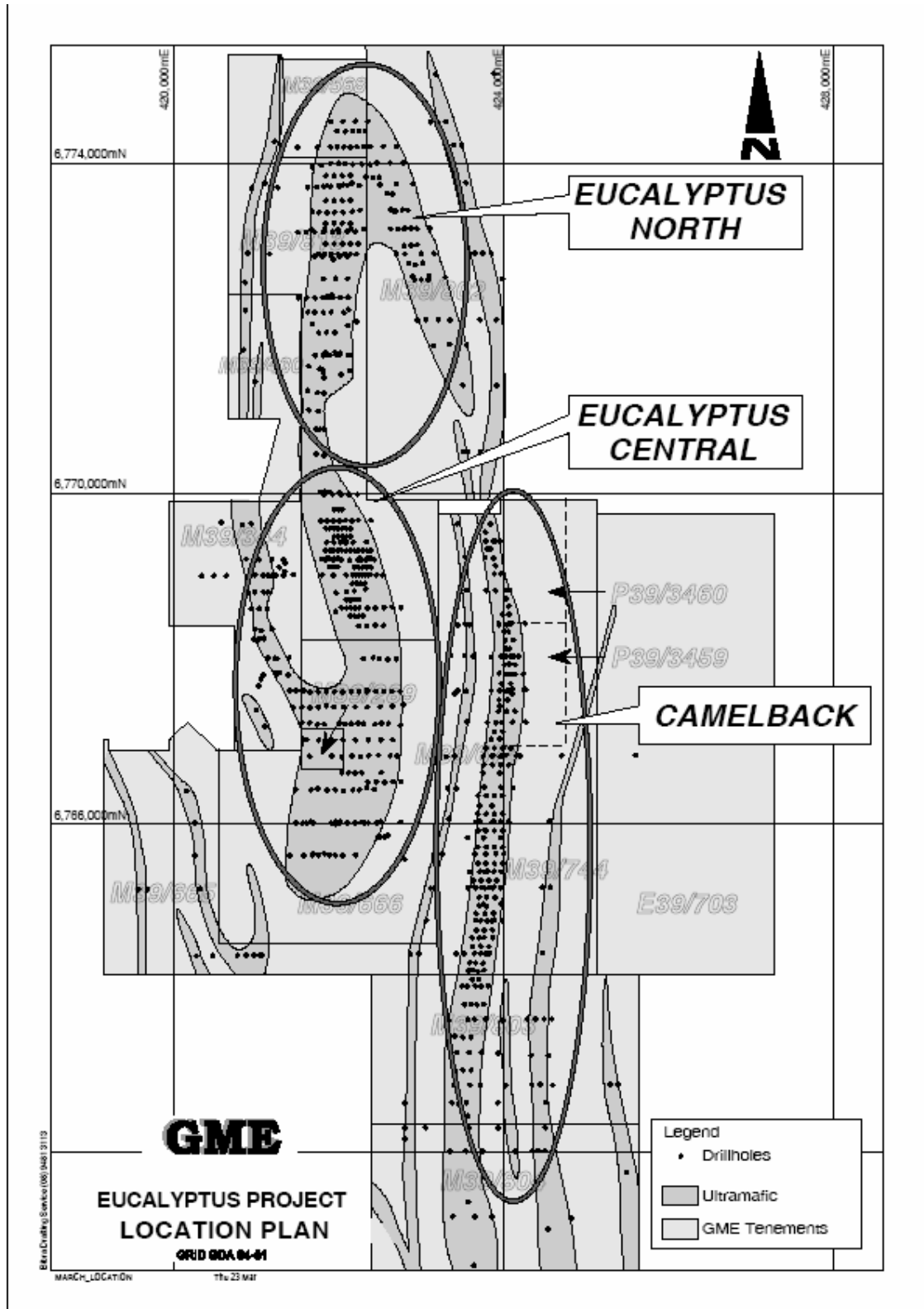
Yours sincerely



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 and Mr Steve Geortz who are members 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 and Mr Geortz consent to the inclusion in the report of the matters based on information provided in the form and context in which it appears.

APPENDIX 1 EUCALYPTUS PROJECT AREA



APPENDIX 2 PROJECT PLAN

