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**7 November 2006**

Australia Stock Exchange  
Company Announcements Officer  
Exchange Plaza  
2 The Esplanade  
Perth WA 6000

Dear Sirs,

#### **Price Query**

In response to your correspondence dated the 6 November 2006 regarding increases in the Company's share price and trading volumes, the Company's response is as follows.

1. The Company is not aware of any information that has not been announced through the ASX that would affect the trading of securities in the Company.
2. Not applicable
3. The Company has no explanation as to why there has been an increase in trading volumes and prices of its securities other than the following *notation*.
4. The Company confirms that it is in compliance of Listing Rule 3.1

The Company, through its subsidiary NiWest Ltd is the sole owner of significant high grade nickel laterite resources adjoining and in close proximity to the Murrin Murrin Nickel Refinery located in the North Eastern Goldfields of Western Australia. Total resources at 0.7% Nickel cut off grade are quoted at 128.10 million tonnes averaging 1.00% Nickel and 0.06% Cobalt for contained metal in excess of 1,200,000 tonnes nickel and 75,000 tonnes cobalt.

#### *Notation*

A media report in the Business Pages of *The Weekend Australian* on Saturday 4<sup>th</sup> November 2006 has highlighted the significant value of the NiWest Nickel resources.

The article covered under the section "*Pure Speculation*" refers to the GME Resources 2006 Annual Report, in which, the Company has reported that it has initiated metallurgical test work and pre feasibility studies aimed at unlocking the value of these resources through Heap Leach Technology.

The article further points out that "Minara Resources is due to have a heap leach demonstration plant ready next month as an alternative strategy to its complex existing technology".

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At the time the article was published GME Resources was capitalized at just over \$75 million. In context of the value of the resource base, it is apparent that the author was of the view that the Company may be a potential acquisition target by parties seeking to control resources of significant nickel inventory.

None of the Company's directors have had discussions with the author of this article prior to its publication.

A copy of the full article named "Laterite Thinking" is attached on the following page.

Should you require any further clarification please do not hesitate to contact the undersigned.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Jamie Sullivan". The signature is fluid and cursive, with a distinct flourish at the end.

Jamie Sullivan  
Managing Director



**PURE  
SPECULATION**  
with **ROBIN BROMBY**

### Laterite thinking

WITH the price of **Minara Resources** moving from about \$2.80 in August to over \$5.50 within two months, there is some hard thinking being done about a low-key junior that has land surrounding Minara's Murrin Murrin processing plant east of Leonora.

**GME Resources** has 1.2 million tonnes of contained nickel and 75,000 tonnes of cobalt.

GME is capitalised at a touch over \$75 million, but one broker who has run the numbers reckons the resource is worth about \$25 billion at present prices

(\$US32,652/tonne for nickel on Thursday night).

Of course, it's the same laterite nickel that felled Centaur Mining & Exploration and just about did the same to Anaconda Nickel (now Minara). But GME's latest annual report indicates the company is thinking of a novel and cheapish means of treating the laterite — heap leaching. Interestingly, Minara is due to have a heap leach demonstration plant ready next month as an alternative strategy to its complex existing technology.

The other problems are that GME's resource is spread over nine deposits and it doesn't have a treatment plant. But our broker believes it can't be long before someone takes a crack at GME to get hold of that resource.