



## GME RESOURCES LTD

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ASX Announcement –1 March 2007

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

Dears Sirs,

### HIGHLY SUCCESSFUL NICKEL HEAP LEACH TEST PROGRAM

#### 120 DAY COLUMN LEACH - METAL EXTRACTIONS

- Hepi 78.4 % Nickel, 94.2 % Cobalt
- Mt Kilkenny North #1 78.2% Nickel, 87.5 % Cobalt
- Mt Kilkenny Central #1 73.2% Nickel, 80.4 % Cobalt

The Company is pleased to report the completion of three 120 day column leach tests representing the nickel laterite profile at Hepi and Mt Kilkenny projects located near Murrin Murrin in the North Eastern Goldfields of WA. One further column test on the Mt Kilkenny North (MK North #2) material is at 64 days and proceeding with similar good results. The test work, undertaken in SGS Lakefield's Laboratory in Perth, was targeting an average extraction of 70 % over 120 days.

***These results clearly illustrate that the nickel saprolite resources at Hepi and Mt Kilkenny projects are amenable to heap leach processing. In each case, slump of the agglomerates column was minimal over the time period and excellent percolation rates were maintained over the 120 day period. These factors are critical parameters for heap leaching success.***

***Acid consumptions were acceptable for the saprolitic ore type, averaging 650 kg/t. Down stream metal recovery testwork is now proceeding on solutions from the column leach tests.***

***The Indicated and Measured resource located at Hepi and Mt Kilkenny (1% nickel cut off grade) is 16.8 million tonnes averaging 1.30% Ni and 0.10% Cobalt representing contained nickel metal of 218,000 tonnes. These resources represent less than 30% of the defined high grade resources within the NiWest Nickel Laterite Project. Much of the additional resource is now known to be similar high grade saprolitic material which should be suited to the heap leach technique.***

***A major RC drill out program is scheduled for the Mt Kilkenny and the Eucalyptus projects through to June 2007. In addition to the RC drilling a Sonic drilling program will be undertaken at Eucalyptus (17.1 million tonnes at 1.24 % Ni indicated resource) to supply core samples for a new round of column test work.***

***These positive leach test results will be used as key inputs to the current Pre Feasibility Study scheduled for completion by the end of March 2007. The testwork provides a strong basis for the Company's plans to progress to a trial heap in the second half of 2007 followed by a Bankable Feasibility Study which is expected to commence towards the end of 2007.***

***Based on the Hepi and Mt Kilkenny resources it is anticipated that the scale of operation now being considered will encompass a stand alone acid plant and target production in the region of 12,500 – 15,000 tonnes per annum of nickel for a minimum ten years.***

### **Column Test Results**

In October 2006, four metre column test work commenced on samples taken from the Hepi and Mt Kilkenny resources.

A Sonic drill rig was used to recover full core samples through the 1% nickel envelope. The drill holes were distributed to provide representative sample of the ore types in each resource.

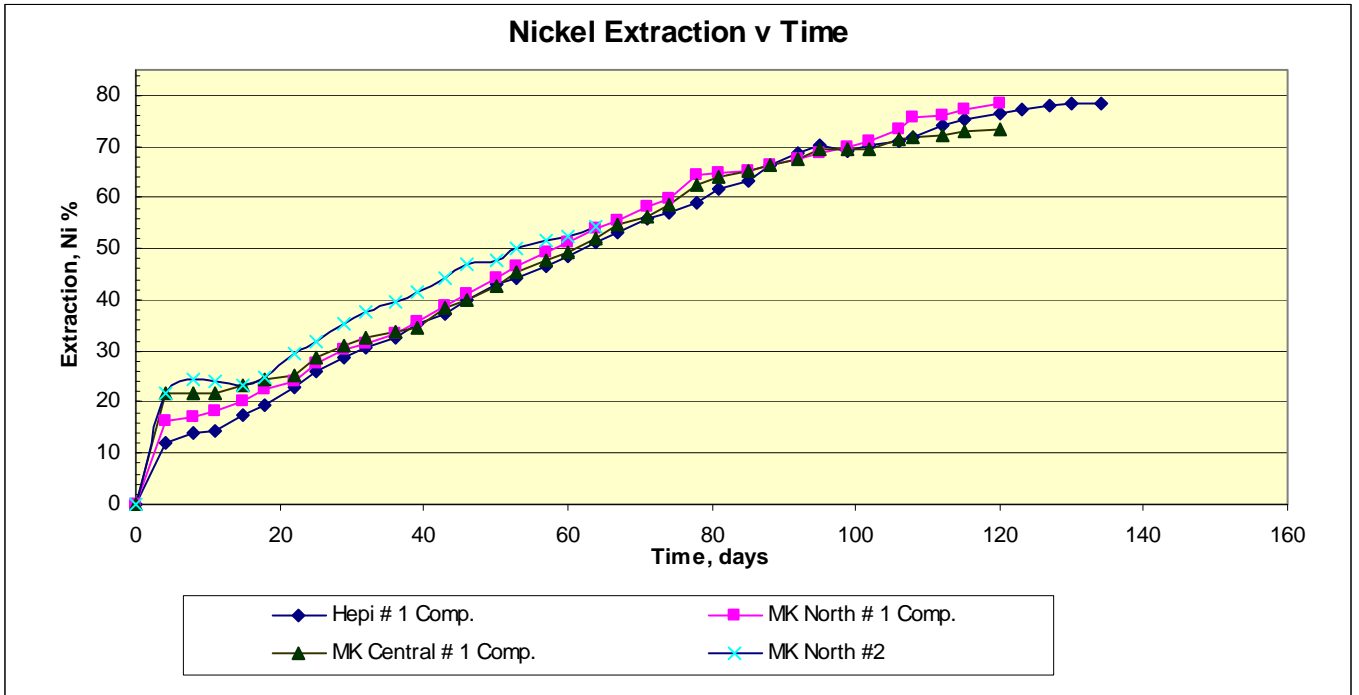
The first three column tests have now exceeded the targeted Nickel extraction rate of 70% and are being decommissioned in preparation of Geotechnical work to confirm the strength of the agglomerates. The remaining test column, MK North #2, has been operating for sixty four 64 days and continues in line with the other column tests. Details of the metal extraction results from the column tests are shown in the tables below.

Throughout the test duration all columns maintained consistently high leach solution percolation rates. The percolation rates confirm that the Hepi and Mt Kilkenny agglomerates have remained stable throughout the test period, with minimal slump observed. This is a significant step forward as the stability of the agglomerate is a fundamental aspect in achieving a successful Heap Leach operation.

**Table 1 - 120 Day Column Test Results**

<b>4 Meter Column Tests</b>	<b>Number Days</b>	<b>Extraction %Ni</b>	<b>Rate %Co</b>	<b>Column Head Grade % Ni</b>
Hepi #1	120	<b>76.6</b>	<b>94.2</b>	1.74
MK North #1	120	<b>78.2</b>	<b>87.5</b>	1.29
MK Central #1	120	<b>73.2</b>	<b>80.4</b>	1.37
Mk North #2	64	<b>54.2</b>	<b>25.1</b>	1.12

**Figure 1 - Nickel Extraction Graph**



The NiWest Nickel Laterite project plan and resource statement is shown in APPENDIX 1

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

**NiWEST NICKEL PROJECT RESOURCE STATEMENT – JUNE 2006**

**NiWEST RESOURCES - 1% Nickel cut off grade**

Project	Category	Million Tonnes	% Ni	% Co
<b>Mt Kilkenny</b>	<b>Indicated</b>	<b>13.73</b>	<b>1.29</b>	<b>0.10</b>
Mt Kilkenny	Inferred	1.38	1.14	0.07
<b>Eucalyptus</b>	<b>Indicated</b>	<b>17.10</b>	<b>1.24</b>	<b>0.08</b>
Eucalyptus	Inferred	7.10	1.16	0.09
<b>Waite Kauri</b>	<b>Measured</b>	<b>1.30</b>	<b>1.33</b>	<b>0.14</b>
<b>Murrin North</b>	<b>Indicated</b>	<b>2.15</b>	<b>1.34</b>	<b>0.09</b>
Murrin North	Inferred	0.97	1.14	0.11
<b>Hepi</b>	<b>Measured</b>	<b>1.10</b>	<b>1.44</b>	<b>0.10</b>
<b>Hepi</b>	<b>Indicated</b>	<b>0.58</b>	<b>1.30</b>	<b>0.11</b>
Hepi	Inferred	0.35	1.09	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
<b>Total</b>	<b>Indicated/Measured</b>	<b>35.96</b>	<b>1.28</b>	<b>0.09</b>
Total	Inferred	12.80	1.18	0.12
<b>Total</b>	<b>Combined</b>	<b>48.76</b>	<b>1.25</b>	<b>0.10</b>

**NiWest NICKEL PROJECT**

