



GME RESOURCES LTD
ABN 62 009 260 315

467 Canning Highway
Como
Western Australia 6152

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

Phone: (618) 9313 2144
Fax: (618) 9313 2188

Email: enq@gmeresources.com.au
www.gmeresources.com.au

ASX Announcement – 7 August 2007

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



NORILSK NICKEL

Dears Sirs

**NORILSK NICKEL CAWSE PTY LTD - GME RESOURCES LTD
MEMORANDUM OF UNDERSTANDING**

The Company is pleased to announce that it has reached agreement with Norilsk Nickel Cawse Pty Ltd on a Memorandum of Understanding covering the conduct of a Trial Nickel Laterite Heap Leach project at the Cawse Nickel plant site, located near Kalgoorlie in Western Australia.

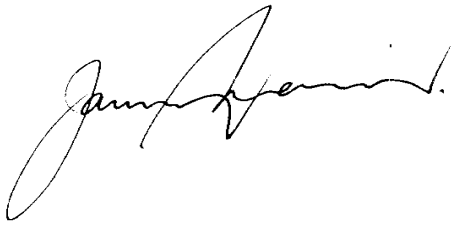
The framework agreement, paves the way for GME to carry out a heap leach program of up to 20,000 tonnes of ore adjacent to the Cawse HPAL plant site. This program will be a central part of the GME Bankable Feasibility Study for Heap Leach treatment of the NiWest nickel laterite ores and will demonstrate heap stability, nickel extraction, acid consumption and metal recovery circuits.

The MOU is subject to granting of regulatory approvals, provides for agreement on reagent supplies, utility services and the processing of excess pregnant nickel solutions from the heap leach program within the Cawse plant. The Company anticipates significant savings in time and funds in conducting the trial at the Cawse site.

Ore for the trial heap leach project will be trucked 275 kilometres via bitumen roads from the Hepi project near Murrin Murrin. Environmental studies at Hepi have been completed and clearing permits applications lodged with the relevant authorities. Engineering work has commenced on pit design and waste material storage for the trial mine at the Hepi project. The Company is currently negotiating with a goldfields based contractor to supply mechanical equipment including the drum agglomerator and labour required to undertake the program.

The Company will provide further updates on the progress of the trial and contractual arrangements as they arise.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jamie Sullivan', written in a cursive style.

Jamie Sullivan
Managing Director