



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 – 5 October 2007

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

Dear Sirs

Small Shareholding Sale Facility

GME Resources Limited (“GME”) has established a Sale Facility for small shareholders who held less than \$500 worth of shares (“unmarketable parcels”) in GME as at 5:00pm Perth time on Friday 28 September 2007 (‘record Date’). GME currently has 296 shareholders holding unmarketable parcels.

In accordance with the Listing Rules, we attach copies of the documents which will be dispatched today to those shareholders of GME Resources Limited who held an unmarketable parcel of shares at 5:00pm Perth time on 28 September 2007.

1. Letter to shareholders holding an unmarketable parcel;
2. Article 15 of GME’s Constitution; and
3. Continuation Election Form.

For further information please contact Mr Brad Wynne, the Company Secretary on (08) 9313 2144.

Yours sincerely

A handwritten signature in black ink, appearing to read 'James Sullivan', written over a white background.

James Sullivan
Managing Director



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5 October 2007

Dear Shareholder,

SMALL SHAREHOLDING SALE FACILITY

I am writing to all shareholders whose holding of GME Resources Limited ("GME") ordinary shares is valued at less than A\$500 (called an unmarketable parcel) to tell you about a Small Shareholding Sale Facility ("Facility") being implemented by the Company.

Our records indicate that you hold an unmarketable parcel, based on your shareholding at 5:00pm (Perth time) on 28 September 2007 and the closing price of GME shares on the Australian Stock Exchange ("ASX") on 28 September 2007 of \$0.60.

Due to the high brokerage costs of selling shares, you may have found it financially unattractive to sell your unmarketable parcel of GME shares, even if you would like to do so. GME is also concerned at the high costs we incur to maintain small shareholdings (including costs associated with printing and mailing Annual Reports and Notices of Meetings, and the costs of the share registry). GME has therefore decided to implement the Facility, which we are authorised to do under Clause 15 of GME's Constitution and ASX Listing Rule 15.13, to provide you an opportunity to sell your shares without incurring brokerage or other fees.

You do not have to sell your GME shares under this Facility if you do not want to do so.

If you wish to sell your shares under the Facility, you need take no action.

If you would like to sell all of your GME shares without paying brokerage or handling fees, you do not need to do anything in response to this letter.

Under the Facility, GME will be entitled to sell on your behalf the number of shares set out on the enclosed Continuation Election Form unless you either complete and return the Continuation Election Form or instead increase your shareholding to a marketable parcel (A\$500 worth or more) by 5.00pm (Perth time) on 16 November 2007.

The sale of your shareholding will be conducted on the ASX. GME will bear the brokerage and handling costs (including GST) and government taxes and charges associated with sales of GME shares under the Facility, however you will bear any tax on income or capital gains on the sale of your shares.

Southern Cross Equities ("Broker") (ABN 87 071 935 441) will act as execution-only broker on behalf of shareholders to effect any sales under the Facility. The sale of shares is expected to take place as soon as practicable, and in any event within 14 days, after 16 November 2007. The Broker will effect sales by placing one or more orders to sell shares on the ASX in the ordinary

course of business (including, in the Broker's sole discretion, by crossings or by the Broker acting as principal).

The price you will receive for your shares sold under the Facility will be equal to the volume weighted average price for all shares sold under the Facility.

That price will be calculated by the Broker and may not be challenged in the absence of manifest error.

Your sale proceeds will be sent to you by 30 November 2007 and will be paid in Australian dollars in accordance with your existing payment instructions provided to GME in respect of your shareholding (i.e. mailed at your risk to your address on GME's share register). If you wish to change your registered address, please contact our registry, Computershare Investor Services Pty Limited ("Computershare"), by telephone on 1300 850 505 or on 61 3 9415 4000 (outside Australia).

Computershare will send you a transaction confirmation statement notifying you of the number of your GME shares sold through the Facility, the sale price for those shares and the total sale proceeds you have received.

If your shares are in a CHESS holding and remain in a CHESS holding on 16 November 2007, and are to be sold under the Facility, you should note that GME may, without further notice to you, sell the relevant shares while they remain in your CHESS holding, and may initiate a holding adjustment to move those shares to an issuer sponsored holding for the purposes of that sale.

You cannot sell part of your shareholding under the Facility. If you do not want to sell all of your GME shares, you must return the Continuation Election Form or increase your holding to a marketable parcel by 5.00pm (Perth time) on 16 November 2007. If you wish to sell only some of your shares and not take part in the Facility, you should call your broker. Sales through your broker will generally be subject to brokerage that will not be met by GME.

If you wish to retain your shares, you must act now.

If you wish to retain your GME shares, you must do one of the following:

Complete and return the enclosed Continuation Election Form in accordance with the instructions on the form so that it is received by Computershare by no later than 5.00pm (Perth time) on 16 November 2007. An envelope to return the continuation election has been provided which is reply paid for Australian shareholders.

Or

Purchase additional GME shares so that your shareholding becomes a marketable parcel. If you wish to do so, you should contact your broker. For additional purchases of shares to be an effective notification to GME that you wish to retain your shares, the additional shares must be held in the same holding as your current shares and must be registered by 5.00pm (Perth time) on 16 November 2007. If you have a number of holdings that you wish to consolidate, please contact Computershare on 1300 850 505 or on 61 3 9415 4000 (outside Australia).

If neither of those events occurs before the time stated, your shares will be sold under the Facility, unless you have already sold all of your shares yourself through your broker.

The price of GME shares

In the period from 1 August 2007 to 28 September 2007, GME shares have traded on the ASX in the range of \$0.48 to \$0.71, with the closing price on 28 September 2007 being \$0.60.

The price of GME shares is subject to change from time to time, and pricing information is available from a number of sources, including daily newspapers or the ASX website (www.asx.com.au) under the ASX code "GME".

You should be aware that the price for GME shares that are sold under the Facility will depend on a number of factors (including prevailing market conditions) and you will not have control over the time at which your shares are sold. The amount you receive will be an average price based on the price obtained for all GME shares sold under the Facility. Please see the explanation above as to how the relevant price will be determined.

You should also note that the price at which GME shares will be sold under the Facility is not fixed and is not underwritten. The price you receive for your shares under the Facility may be less than the market price of GME shares at any given time, or the price appearing in daily newspapers or quoted by the ASX on any day, and may not be the best execution price on the trading day or trading days that your shares are sold. If a large number of GME shares are sold under the Facility at the same time as your shares, this may have an adverse effect on the price that you receive.

However, without limitation to the foregoing, the Broker must sell GME shares under the Facility at the best price reasonably obtainable for those shares at the time of the relevant sale.

Other Important Information

Please read this Letter and the enclosed Continuation Election Form carefully as they contain Important Information. Together they constitute the documents required by Clause 15 of GME's Constitution.

However, you should note that none of GME, the Broker or Computershare makes any statement of opinion or recommendation to you regarding whether to participate in the Facility, or whether to buy, sell or hold GME shares, or that the Facility is the best way to sell GME shares. Neither do they provide to you any financial, tax or investment advice. The decision to sell or retain your shares is entirely yours. You may wish of course to elect to maintain your existing shareholding, in which case you should take one of the appropriate steps outlined above. However, if you wish to sell your shares, there are advantages in participating in the Facility compared to using a broker, as no brokerage and handling fees are payable by you under the Facility, although there are also disadvantages, as you will not be able to control when and at what price your shares are sold under the Facility. If you are in any doubt about whether to participate in the Facility, please consult your licensed financial adviser. You may also wish to obtain independent professional advice regarding the possible taxation consequences of your decision. If you do not respond to this letter and GME shares are to sold under the Facility, GME will, as your agent under Clause 15 of its Constitution, receive any notice (including a Financial Services Guide and any update of that document) that the broker or Computershare is required to provide under the Corporations Act. Any such document will be made available on GME's website (www.gmeresources.com.au).

In accordance with GME's Constitution, the Facility will lapse if a takeover bid for GME is announced before sales under the Facility are completed, although it may be started again after the close of offers made under the takeover.

If you have any questions concerning your GME shareholding or how the Facility will work, please contact Brad Wynne of GME on 61 8 9313 2144 or Computershare Investor Services Pty Limited on 1300 850 505 or on 61 3 9415 4000 (outside Australia).

The Timetable for the Small Shareholder Sale Facility is as follows:

Record Date:	28 SEPTEMBER 2007
Mailing to Shareholders Date:	5 OCTOBER 2007
Open Date:	5 OCTOBER 2007
Closing Date:	16 NOVEMBER 2007
Cheque Dispatch Date:	30 NOVEMBER 2007

Yours Sincerely,

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

James Sullivan
Managing Director

GME RESOURCES LIMITED ABN 62 009 260 315
CLAUSE 15 OF CONSTITUTION

15. SALE OF UNMARKETABLE PARCELS

15.1 Sale of Unmarketable Parcels

Subject to and in accordance with the Listing Rules, if a Member holds an Unmarketable Parcel of Shares, the provisions of this Clause 15 apply to those Shares.

15.2 Board May Give Notice to Member

If at any time the number of Shares held by a Member (the "Relevant Member") (including Shares registered in the Relevant Member's name jointly with another Member or other Members) constitutes an Unmarketable Parcel (the "Relevant Shares"), the Board may give written notice (the "Notice") to the Relevant member stating that unless the Relevant Member gives notice to the Company by a specified date (being not less than 42 days after the date of service of the Notice) requiring that the provisions of this Clause 15 are not to apply to the Relevant Shares, then the Relevant Shares may be sold or disposed of under this Clause 15.

15.3 Jointly Held Shares

If a Member who gives notice under Clause 15.2 is a joint holder of a parcel of Shares, then the Notice will be deemed to relate only to the Shares of which that Member is a joint holder and not to other Shares held by that Member or those other joint holders individually or jointly with other persons other than that Member, and any Notice given to those other joint holders will be deemed to relate only to those other Shares held by the other joint holders.

15.4 Board May Dispose of Relevant Shares

If the Relevant Member does not give notice to the Company by the date specified in the Notice that the provisions of this Clause 15 are not to apply to the Relevant Shares, the Board may, subject to the following provisions of this Clause 15, sell or otherwise dispose of the Relevant Shares (together with all rights attaching thereto, including any Dividends declared but unpaid).

15.5 Manner in Which Shares may be Disposed Of

Any Shares to be sold or otherwise disposed of under Clause 15 may be sold or disposed of on such terms and in such manner and at such time as the Board thinks fit, and for the purpose of such sale or disposal:

- 1) the Relevant Member appoints the Company as their agent; and
- 2) the Relevant Member appoints the Company and each of the Directors from time to time, jointly and each of them severally as their attorney and attorneys in their name and on their behalf to effect any transfer or disposal of the Relevant Shares.

15.6 Transferee Need Not Enquire

The transferee of any Relevant Shares sold or otherwise disposed of under this Clause 15 is not required to see to the regularity of proceedings or to the application of any purchase moneys, and after the transferee's name has been entered in the Register as the holder of the Relevant Shares, the validity of the sale or other disposal to the transferee may not be impeached by any person and the remedy of any person aggrieved by such sale or disposal is in damages only and against the Company exclusively. The Company may issue to a transferee such certificate as may be required to evidence the transferee's title to the Shares.

15.7 Company's Receipt is Good Discharge

The Company's receipt for any consideration received by it as a result of the sale or other disposal of any Shares pursuant to this Clause 15 is a good discharge to the transferee of those Shares and any person claiming through that transferee.

15.8 Title of the Transferee Not Affected by any Irregularity or Invalidity

The title of the transferee of any Shares sold or otherwise disposed of pursuant to this Clause 15 is not affected by any irregularity or invalidity in connection with such sale or disposal.

15.9 Proceeds of Sale or Other Disposal of Shares

The proceeds of any sale or other disposal of Shares pursuant to this Clause 15 (following the deduction of any unpaid calls, interest and expenses, but not the costs and expenses of that sale or disposal, which must be borne by the Company) (the "Sale Proceeds") must be dealt with as follows:

- 1) the Sale Proceeds must be paid into a separate bank account opened and maintained by the Company for that purpose only;
- 2) the Sale Proceeds must be held in trust for the transferor of those Shares;
- 3) the Company must, immediately following the receipt of the Sale Proceeds, notify the Relevant Member in writing that the Sale Proceeds have been received by the Company and are being held by the Company pending instruction from the Member as to how they are to be dealt with;
- 4) the Company must deal with the Sale Proceeds as instructed by the Member on whose behalf they are held;
- 5) where the Sale Proceeds have been held in trust for more than 2 years, the Company must, before the expiration of 10 years after the Sale Proceeds were received by the Company, deal with the Sale Proceeds in accordance with any law applicable to unclaimed moneys; and
- 6) any dividends that have been withheld will be sent to the Relevant Member after the sale of the Relevant Shares.

15.10 Costs of Sale or Other Disposal of Shares

The costs and expenses of any sale or other disposal of Shares under this Clause 15 must be borne by the Company.

15.11 Certificate is Sufficient and Conclusive Evidence

Where a certificate in writing under the hand of any two of the Directors or any one Director and the Secretary states that:

- 1) any notice required to be served by or on the Company under this Clause 15 was or was not served, as the case may be;
- 2) any action of the Board required to be taken under or pursuant to this Clause 15 was taken,

that certificate is sufficient and conclusive evidence of the facts stated in it as against all persons claiming to be entitled to any Shares affected by the certificate and to the right of the Company to sell or otherwise dispose of the same.

15.12 Cancellation of Shares Sold or Otherwise Disposed

The Company must cancel the Share certificates of all Members whose Shares have been sold or otherwise disposed of pursuant to this Clause 15.

15.13 Takeover Offer

In the event of any person making takeover offers for, or a takeover announcement in relation to, Shares after a Notice has been given to a Relevant Member in respect of Relevant Shares but before the sale or other disposal of the Relevant Shares pursuant to this Clause 15, the power of the Company to sell or otherwise dispose of the Relevant Shares ceases. If at the end of the takeover period applicable to those takeover offers or that takeover announcement the Relevant Member is still registered, or entitled to be

registered, as the holder of the Relevant Shares, then, notwithstanding Clause 15.1, the Board may give a new Notice to the Relevant Member in respect of the Relevant Shares.

15.14 Provisions of Clause 15 may be Invoked Only Once

Subject to Clause 15.1, the provisions of this Clause 15 may only be invoked once in respect of any Relevant Shares during any period of twelve months.

15.15 CHES

The provisions of this Clause 15 referring to the issue, cancellation or receipt of share certificates will not apply where the Company participates in a computerized or electronic share transfer system conducted in accordance with the Listing Rules.



GME Resources Ltd

ABN 62 009 260 315



All correspondence to:
Computershare Investor Services Pty Limited
GPO Box D182 Perth
Western Australia 6840 Australia
Enquiries (within Australia) 1300 557 010
(outside Australia) 61 3 9415 4000
Facsimile 61 3 9473 2033
web.queries@computershare.com.au
www.computershare.com



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MR JOHN SAMPLE

FLAT 123

SAMPLE STREET

SAMPLE STREET

SAMPLE STREET

SAMPLETOWN VIC 3030



Securityholder Reference Number (SRN)



I 1234567890

I N D

Use a **black** pen.
Print in **CAPITAL** letters
inside the grey areas.

A B C

1 2 3

Where a choice is required,
mark the box with an 'X'

X

Small Holding Sale Facility Form

IMPORTANT:

This is an important document and requires your immediate attention. If you wish to retain your ordinary shares ("Shares") in the Company, you must complete this form and return it so that it is received at one of the addresses set out on the back of this form by no later than 5.00pm (AWST) on 16 November 2007. You should also refer to the detailed terms and conditions and other documents that accompanied this form. If you are in any doubt as to how to deal with this form, please consult a professional advisor.

B **Number of Shares as at Record Date**
The number of Shares that you held at 5pm AWST on 28 September 2007.

XXXXXXXXXX

C **Retention of Shares**

I/we refer to the notice from the Company dated 5 October 2007 and record my/our wish to retain my/our Shares.

D **Contact details**
Please provide your contact details in case we need to speak to you about this form.

Name of contact person **Contact person's daytime telephone number**

()

E **Sign here - this section must be signed before we can process this form.**

By signing and returning this form, I/we confirm that I/we understand that my/our Shares will not be sold under the Small Holding Sale Facility.

Individual or Securityholder 1 **Securityholder 2** **Securityholder 3**

Sole Director and Sole Company Secretary **Director** **Director/Company Secretary**

Day Month Year

/ /

TO BE A VALID INSTRUCTION, THIS FORM MUST BE RECEIVED AT ONE OF THE ADDRESSES LISTED OVERLEAF BY NO LATER THAN 5.00PM (AWST) ON 16 NOVEMBER 2007



How to complete this form

Securityholders who wish to retain their shares must lodge a Small Holding Facility form.

<p>A Registration Name(s) Your name and address as it appears on the register of GME Resources Ltd.</p>	<p>D Contact details Enter the name of a contact person and telephone number. These details will only be used in the event that the registry has a query regarding this form.</p>
<p>B Number of Shares as at Record Date This is the total number of Shares you held at 5.00pm AWST on 28 September 2007.</p>	<p>E Signature(s) You must sign and date the form as follows in the space provided:</p> <p>Joint holding: where the holding is in more than one name all of the securityholders must sign.</p> <p>Companies: this form must be signed by either 2 Directors or a Director and a Company Secretary. Alternatively, where the company has a Sole Director and, pursuant to the Corporations Act, there is no Company Secretary, or where the Sole Director is also the Sole Company Secretary, that Director may sign alone.</p> <p>Delete titles as applicable.</p>
<p>C Retention of Shares If you would like to retain your shares, please mark the box on the front of the form and return it in accordance with the lodgement instructions below.</p> <p>If this form is not received by that time, and you have not otherwise validly notified the Company that you wish to retain your Shares by that time, the Company will be entitled to have your Shares sold for you.</p> <p>If you wish to sell your Shares under the Small Holding Sale Facility, you should not complete this form.</p>	

Consolidation of shareholdings

If you have more than one holding on GME Resources Ltd's register and you do not sell your Shares under the Small Holding Sale Facility, you should consider consolidating them. For further advice in this regard, please contact Computershare Investor Services Pty Limited ('CIS') on 1300 557 010 (within Australia) or 61 3 9415 4000 (outside Australia).

Lodgement of Form

If you wish to retain your Shares, this Small Holding Sale Facility Form must be completed and received by CIS at one of the addresses set out below by **no later than 5.00pm AWST on 16 November 2007**.

It is your responsibility to allow sufficient time for this form to be received by CIS. [A reply paid envelope is enclosed for posting from within Australia.]

Your Small Holding Sale Facility Form must be sent to:

Postal address	OR	Hand delivery
Computershare Investor Services Pty Limited		Computershare Investor Services Pty Limited
GPO Box D182		Level 2
PERTH WA 6840		45 St Georges Terrace
		PERTH WA 6000

Privacy Statement

Personal information is collected on this form by CIS, as registrar for the Company, for the purpose of effecting your instructions in relation to the Small Holding Sale Facility, maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to the Company and its professional advisers, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the Company in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or e-mail privacy@computershare.com.au

If you have any enquiries concerning your Securityholding please contact CIS on telephone 1300 557 010.

This form may not be used to notify your change of address. For information please contact CIS on 1300 557 010 or visit the share registry at www.computershare.com

