

NiWest Nickel-Cobalt Project

Production of Battery-Grade Nickel Sulphate



9 October 2017

HIGHLIGHTS

- Final step of continuous pilot plant metallurgical testwork successfully completed
- High purity nickel products produced including nickel sulphate, nickel carbonate and nickel cathode
- Metallurgical test program has largely de-risked the NiWest flow sheet design
- Planned processing based on low capital intensity heap leaching and downstream processing of nickel and cobalt solutions using Direct Solvent Extraction (DSX)
- NiWest Pre-Feasibility Study on track for completion in the March quarter 2018

GME Resources Limited (“GME” or “the Company”) (GME:ASX) advises this it has now completed the final successful step in its ongoing continuous piloting metallurgical testwork to support the production of high purity nickel products including nickel sulphate from the 100%-owned NiWest Nickel-Cobalt Project in Western Australia (“NiWest” or “NiWest Project”).

Nickel and cobalt in various formats are direct inputs into lithium-ion batteries and GME is targeting production of premium nickel and cobalt products from the NiWest Project to supply the growing lithium-ion battery market.



Photo: High purity (+99.95%) Nickel products produced from the NiWest continuous pilot plant.

Left Rear – Nickel Carbonate | Left Front – pure Nickel Cathode plate from electrowinning | Right – Nickel Sulphate.

Flow Sheet Design – Continuous Pilot Plant

The development of the proposed NiWest Project process flowsheet has continued following successful column leach testing, continuous piloting of the Pregnant Liquor Solutions (PLS), acid neutralisation and Fe/Al removal, and continuous piloting of the proposed purification of solutions through the DSX flowsheets. The DSX flowsheet has been designed to generate pure nickel and cobalt sulphate solution (electrolyte) streams.

The latest stage of the testwork has focused on generating a range of Pure Nickel (Ni) Products from the electrolyte streams to prove both the technical effectiveness of the proposed process route and also the flexibility of the process in generation of a pure Ni product satisfying multiple potential customer specifications. In addition, a potentially marketable purified Cobalt product has been generated in the form of a Cobalt Sulphide. Further test work is being undertaken to both optimise the current Cobalt recovery flowsheet and to investigate production of additional Co products suitable for end user requirements. This work will continue over the next few months.

Based on the chemical data available and the excellent physical performance, the pilot plant operation for the proposed NiWest process flowsheet was highly successful. The proposed process DSX flowsheets can treat the NiWest neutralised PLS to generate a pure nickel electrolyte that can be tailored to the generation of multiple high purity nickel products, including nickel Sulphate, nickel metal cathode, nickel carbonate and nickel chloride.

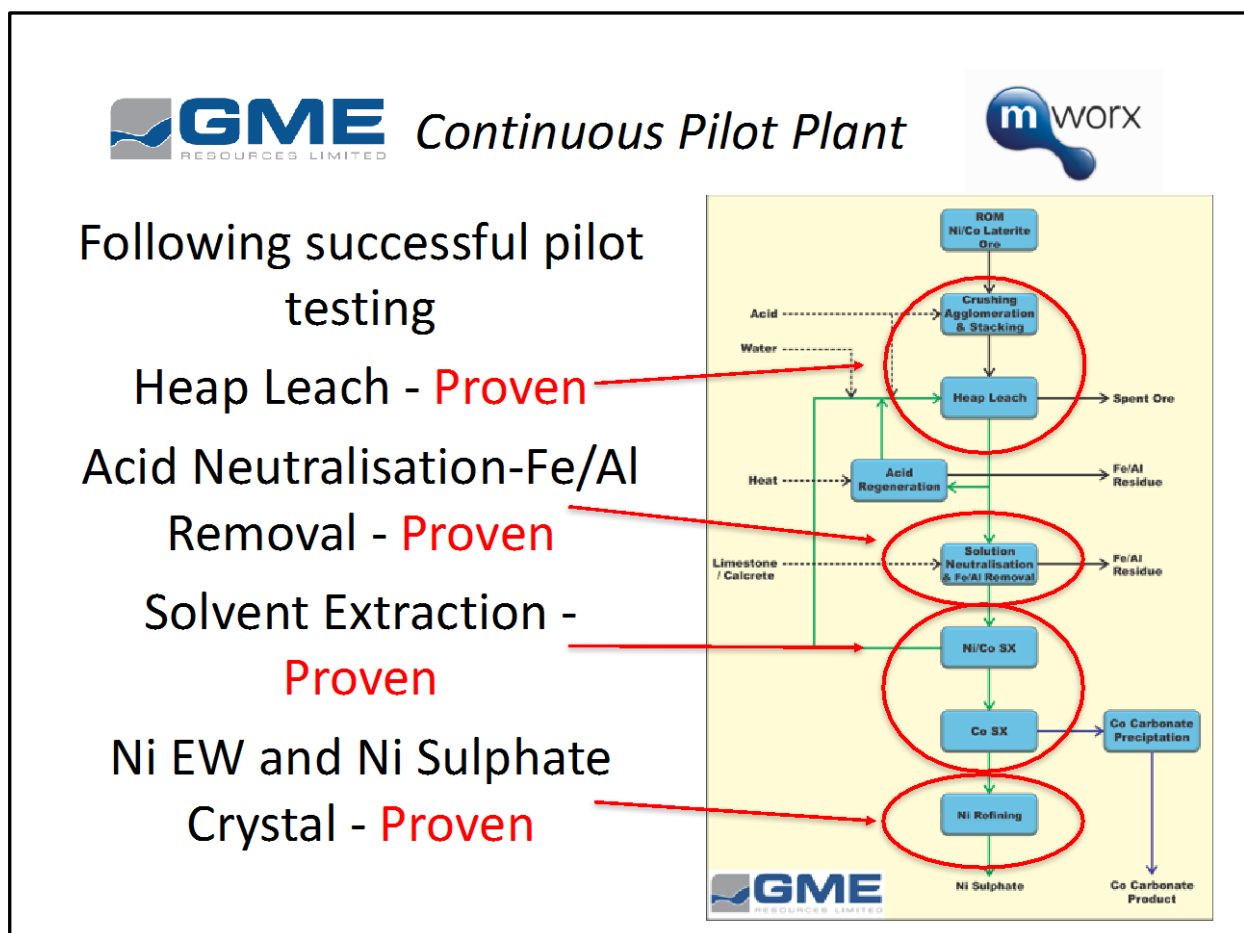


Figure 1: GME has now successfully piloted and tested all key metallurgical process steps for nickel contained in the proposed process flowsheet for its NiWest Ni Laterite Project

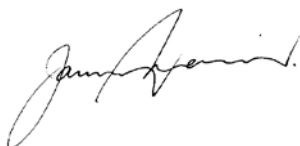
Pre Feasibility Study

The key engineering and design parameters for the heap leach solution neutralisation and Fe/Al removal, DSX and high purity nickel product production have been established through the continuous pilot plant investigations. The Company has now commenced work on a Pre-Feasibility Study (PFS) that will focus on providing capital and operating cost estimates based on the proposed NiWest Process Flowsheet.

The study, which is expected to be completed in the March 2018 quarter, will also include provisional costings for an operation which incorporates a self-contained acid plant which would remove the limitation on production rates that otherwise is determined by locally available acid.

The study will also explore the option to install an SX circuit for the recovery of Scandium Oxide. Batch testing for the recovery of Scandium Oxide from the PLS has proved successful and further test work is planned over the next six months to investigate the viability of this initiative.

The Company looks forward to providing further updates as the project progresses.



JAMIE SULLIVAN
MANAGING DIRECTOR
9 October 2017

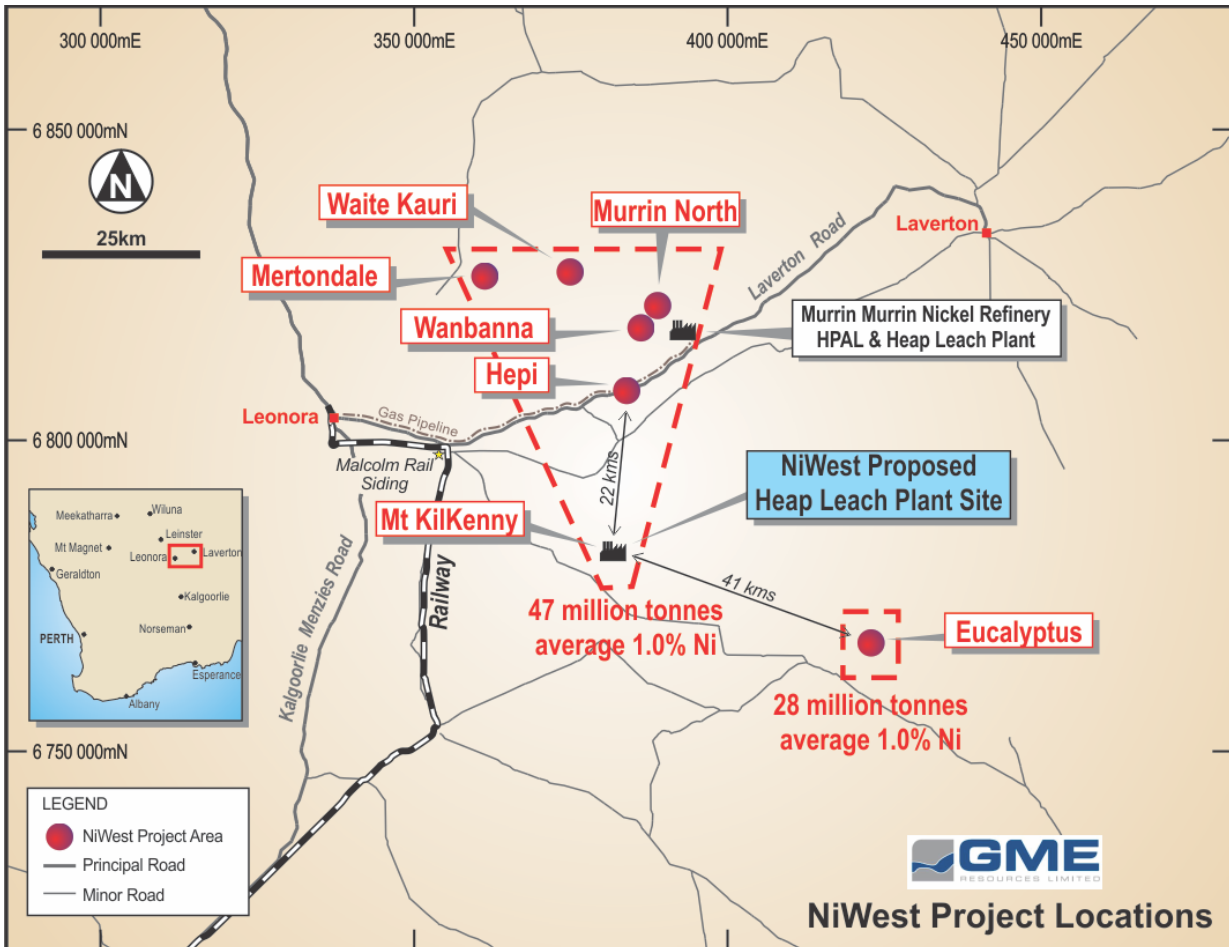
Competent Person Statement

NiWest Nickel Cobalt Project

"Where the Company refers to the NiWest Project Mineral Resource Statement (refer also tables 1, 2 and 3) in this announcement referencing the release made to ASX on 21 February 2017, it confirms that it is not aware of any new information or data that materially affects the information included in that announcement and all material assumptions and technical parameters underpinning the resource estimate with that announcement continue to apply and have not materially changed."

The information in this announcement that relates to Lateritic Nickel and Cobalt Processing / Engineering and related operating and capital cost estimates is based on information reviewed by Mr David Readett (B.E. Met Eng., FAusIMM, CP (Met)). Mr Readett is an independent consulting engineer working through a Company known as MWorx Pty Ltd. Mr Readett is a Chartered Professional Metallurgical Engineer and has 25 years of relevant experience in this area of work. Mr Readett consents to the inclusion in this announcement of the matters based on information provided by him and in the form and context in which it appears.

Project location plan



NiWest Nickel-Cobalt Project Mineral Resource Estimate (JORC 2012)

Table 1: Mineral Resource Estimate at 0.8% Ni Cut-off Grade

JORC Category	Tonnes (Mt)	Ni Grade %	Co Grade %	Ni Metal (kt)	Co Metal (kt)
Measured	34	1.07	0.07	362	23
Indicated	28	1.02	0.06	282	17
Inferred	19	0.97	0.06	186	12
Total	81	1.03	0.06	830	52

Table 2: Mineral Resource Estimate by project area at 0.8% Ni Cut-off Grade

JORC Category	Tonnes (Mt)	Ni Grade %	Co Grade %	Ni Metal (kt)	Co Metal (kt)
Eucalyptus	34.9	1.00	0.06	349	21.7
Measured	7.5	1.02	0.07	76.2	4.8
Indicated	11.2	1.02	0.06	114.3	6.7
Inferred	16.2	0.98	0.06	158.1	10.0
Mt Kilkenny	24.2	1.08	0.07	261	16.5
Measured	19.8	1.09	0.07	216.3	13.9
Indicated	2.9	1.02	0.06	29.2	1.7
Inferred	1.5	0.98	0.05	15.2	0.8
Wanbanna*	10.8	1.03	0.07	111.2	7.2
Measured	0.0	0.0	0.0	0.0	0.0
Indicated	10.1	1.03	0.07	104.2	6.7
Inferred	0.7	0.99	0.07	7.0	0.5
Hepi	3.4	1.09	0.06	37	2.0
Measured	1.8	1.19	0.06	21.3	1.1
Indicated	1.1	1.01	0.06	11.6	0.7
Inferred	0.5	0.90	0.04	4.4	0.2
Murrin North	3.7	0.97	0.06	35.7	2.3
Measured	3.4	0.98	0.06	33.2	2.1
Indicated	0.2	0.88	0.05	1.3	0.1
Inferred	0.1	0.86	0.08	1.2	0.1
Waite Kauri	1.8	0.98	0.05	18	1.0
Measured	1.5	1.01	0.06	14.8	0.91
Indicated	0.3	0.91	0.03	3.2	0.09
Inferred	0.02	0.09	0.02	0.02	0.00
Mertondale	1.9	0.98	0.07	18.4	1.3
Measured	-	-	-	-	-
Indicated	1.9	0.98	0.07	18.4	1.3
Inferred	-	-	-	-	-
TOTAL	81	1.03	0.06	830	52
Measured	34	1.07	0.07	362	23
Indicated	28	1.02	0.06	282	17
Inferred	19	0.98	0.06	186	12

Table 3: Mineral Resource Estimate by project area at 1.0% Ni Cut-off Grade

JORC Category	Tonnes (Mt)	Ni Grade %	Co Grade %	Ni Metal (kt)	Co Metal (kt)
Eucalyptus	13.3	1.19	0.07	158.7	9.7
Measured	3.3	1.19	0.07	38.9	2.42
Indicated	5.0	1.18	0.07	58.9	3.60
Inferred	5.0	1.21	0.08	60.9	3.78
Mt Kilkenny	12.7	1.24	0.08	158.3	10.1
Measured	10.9	1.25	0.08	137.4	9.00
Indicated	1.2	1.19	0.06	14.8	0.8
Inferred	0.5	1.15	0.06	6.1	0.3
Wanbanna*	5.1	1.19	0.08	60.6	4.0
Measured	-	-	-	-	-
Indicated	4.8	1.19	0.08	56.9	3.7
Inferred	0.3	1.16	0.08	3.7	0.3
Hepi	1.5	1.33	0.07	20.6	1.1
Measured	1.0	1.40	0.07	14.6	0.8
Indicated	0.4	1.22	0.07	5.3	0.3
Inferred	0.1	1.08	0.04	0.7	0.03
Murrin North	1.25	1.14	0.07	14.0	0.9
Measured	1.24	1.14	0.07	14.2	0.89
Indicated	0.01	1.04	0.04	0.1	0.01
Inferred	-	-	-	-	-
Waite Kauri	0.58	1.23	0.08	7.0	0.46
Measured	0.52	1.25	0.09	6.49	0.45
Indicated	0.06	1.08	0.02	0.65	0.01
Inferred	-	-	-	-	-
Mertondale	0.7	1.14	0.07	7.9	0.46
Measured	-	-	-	-	-
Indicated	0.7	1.14	0.07	7.9	0.46
Inferred	-	-	-	-	-
Total	35.1	1.21	0.08	427	27
Measured	17.0	1.24	0.08	212	14
Indicated	12.1	1.18	0.07	144	9
Inferred	6.0	1.20	0.07	71	4

About the NiWest Nickel Cobalt Project

GME through its 100% owned subsidiary NiWest Ltd, hosts one of the largest undeveloped nickel and cobalt resources in Australia, with a Mineral Resource Estimate (JORC 2012) of 81 million tonnes averaging 1.03% nickel and 0.06% cobalt. More than 75% of the Mineral Resource Estimate is contained in the Measured and Indicated categories.

The project is located adjacent to Glencore's Murrin Murrin Nickel Refinery (output PA circa 36,000 tonnes Ni 2,600 tonnes Co) in the North Eastern goldfields of WA. (refer Project Plan). Following extensive metallurgical test programs on NiWest ore types the Company has successfully developed a flow sheet design based on a combined heap leaching and Direct Solvent Extraction coupled to a refinery with capability of producing battery grade nickel and cobalt sulphates.

The Company has commenced a Pre Feasibility Study (PFS) that will focus on the Mt Kilkenny and Hepi project areas, with the proposed processing plant located at Mt Kilkenny. Mt Kilkenny represents one of the largest contained nickel-cobalt resource in the portfolio. The Hepi project area, located approximately 20 kilometres to the north, possesses the highest grade resource inventory. Combined Mineral Resource Estimates at these two project areas total 27.6 million tonnes averaging 1.08% Ni and 0.07% Co, with over 78% of that tonnage in the measured category.

Both the Mt Kilkenny and Hepi project areas are considered to be at an advanced stage in terms of potential for accelerated development with large-scale Measured Resource Estimates, extensive metallurgical test work and high level environmental surveys completed. This includes a 2.0GL water extraction permit at Mt Kilkenny which is sufficient to support a 1-1.5 million tonne per annum operation. The Hepi resource has been drilled to grade control level and also has a valid open pit mine approval.

The Mt Kilkenny and Hepi projects represent little more than a third of the total NiWest resource base. This serves to highlight the embedded project and operational scalability that exists with such a large and long life nickel-cobalt resource inventory.

The PFS will investigate capital and operating costs for a heap leach operation and processing plant based on a production rate determined initially by the quantity of locally available acid. The study will also examine a range of modular scale-up options that will include a stand-alone acid plant and the option to produce scandium oxide.

The PFS commenced in July 2017 and is expected to be completed by the March 2018 quarter. The study will allow the economic and technical viability of the NiWest project to be defined and provide further impetus for the proposed development.