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## ASX ANNOUNCEMENT/MEDIA RELEASE

11 March 2021

### Half Year Financial Report for the period to 31 December 2020

**GME Resources Limited ('GME' or the 'Company')** submits its Half Year Financial Report for the period to 31 December 2020.

This announcement has been authorised for issue by the Board of GME Resources Limited.

#### For further information please contact:

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Managing Director  
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#### About GME Resources Limited:

GME Resources Limited is an ASX listed (GME) exploration and development company with nickel, cobalt and gold interests in Western Australia. GME's principal asset is its 100% owned NiWest (nickel – cobalt) Project situated adjacent to Glencore's Murrin Operations. The Company has completed a Pre-Feasibility Study which has confirmed the technical and economic viability of a heap leach and direct solvent extraction operation at one of the largest undeveloped nickel/cobalt Projects in Australia. Further information is available on GME's website: [www.gmeresources.com.au](http://www.gmeresources.com.au).

# **GME Resources Limited**

(ABN 62 009 260 315)

## **Interim Report** **31 December 2020**

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## CORPORATE DIRECTORY

### DIRECTORS

**Chairman**

Peter Ross SULLIVAN BE, MBA

**Managing Director**

James Noel SULLIVAN FAICD

**Director**

Peter Ernest HUSTON B. Juris, LLB (Hons), B.Com, LLM

### COMPANY SECRETARY

Mark Pitts B. Bus, FCA

### REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

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Facsimile: (08) 9315 5475  
Web Site: [www.gmeresources.com.au](http://www.gmeresources.com.au)

### AUDITORS

HLB Mann Judd ((WA) Partnership)  
Chartered Accountants  
Level 4, 130 Stirling Street  
Perth WA 6000

### SHARE REGISTRY

Computershare Registry Services Pty Ltd  
Level 11  
172 St George's Terrace  
Perth WA 6000  
GPO Box D182  
Perth WA 6840  
Telephone: (08) 9323 2000  
Facsimile: (08) 9323 2033

### SECURITIES EXCHANGE LISTING

The Company's shares are quoted on the Official List of Australian Securities Exchange Limited Ticker code: GME

### STATE OF REGISTRATION

Western Australia

## DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity (Group) for the half year ended 31 December 2020.

### Directors

The names of directors who held office during or since the end of the half year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

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Peter Ross Sullivan	Non-Executive Chairman
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James Noel Sullivan	Executive Director
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Peter Ernest Huston	Non-Executive Director
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### ***NIWEST (NICKEL-COBALT) PROJECT***

The NiWest Nickel Cobalt laterite Project hosts one of the highest-grade undeveloped nickel laterite resources in Australia estimated to contain 85 million tonnes averaging 1.03% Nickel and 0.06% Cobalt. (Refer ASX announcement NiWest Resource Update 21 Feb 2017.). Over 75% of the resource falls within the Indicated and Measured categories.

The NiWest Project comprises of seven individual areas that contain JORC compliant nickel/cobalt deposits located adjacent or within close proximity to Murrin Murrin Nickel Refinery owned and operated by Glencore International. The mineralisation within the NiWest resources is consistent with the wider Murrin Murrin nickel laterite deposits and all resources are on granted mining leases. The area is well serviced with infrastructure such as arterial road networks, standard gauge rail line, gas pipeline and established mining townships.

The Group has invested significant time and funds to advance the project to pre development stage. Extensive resource drilling has been completed including dozens of core drilling programs to produce high quality metallurgical samples. The focus has been to develop a low capital flowsheet that leverages the amenability of the Murrin Murrin laterites to Heap Leaching (HL).

This approach has allowed the Group to advance the development of a fully integrated process flow sheet through Direct Solvent Extraction (DSX) for the removal of impurities in the leach solution to produce high quality electrolytes suitable for refining to battery grade nickel sulphates and cobalt carbonate.

The Prefeasibility Study completed in September 2018 indicated a capital requirement of A\$900m and operating costs of US\$ 3.24/lb nickel based on production of 456kt nickel and 31.4kt cobalt over a 27-year mine life. This capital intensity is approximately half of the cost for the alternate High Pressure Acid Leach plant.

The Nickel price broke above US\$16,000/t range in December in a rally that has taken the price to over US\$18,000 in January 2021. The recent rally comes on the back of positive news of COVID -19 vaccines combined with anticipated COVID stimulus packages, growth expectations for both stainless steel output and increased roll out of EV's globally.

The Company has been granted a number of multiyear exemptions from expenditure over project areas that make up the NiWest Nickel Laterite Project. The exemptions cover granted Mining Leases that contain JORC compliant resources. The granting of these exemptions will provide the Company with reduced capital requirements over the next 5 years.

The NiWest project remains an exciting opportunity strongly leveraged to long term nickel price growth. The Group remains ready and committed to advance the project as soon as market conditions are favourable.

### ***GOLD ASSETS***

Whilst the Group's primary focus is the NiWest Nickel project, the recent spike in AUD\$ gold price has renewed interest in its Gold Assets. The Group has recently reviewed these assets and designed work programs on priority prospects. Drilling has been completed at the Fairfield Gold project over the reporting period and drilling was undertaken in February at the Federation gold mine which forms a part of the Abednego Project at Murrin Murrin.

The Group will continue to review its gold assets with results from programs driving the nature of future exploration work to be undertaken.

## Fairfield Gold Project

During the reporting period the Group completed an infill and step-out RC drill program at the Fairfield gold deposit located approximately 25 kilometres north of Laverton township, in the Northeast Goldfields, WA

RC drilling to test the exploration target at the Fairfield deposit returned shallow high-grade gold Intercepts and the northern-most hole intersected 10m at 2.9 g/t opening up potential for a new discovery. (ASX GME announcement 23 November 2020)

In total 19 RC holes for 720 metres were drilled to further delineate and test the immediate strike potential of a shallow, predominantly oxide gold exploration target. Drilling has confirmed the presence of two moderate to high grade shoots and associated broader zones of low to moderate grade, supergene, gold mineralisation within near surface weathered host rock (Refer Figure 1).

Of particular interest is the drilling interception of shallow moderate to high-grade gold mineralisation at the northern end of the deposit (i.e. 10 m @ 2.9 g/t from 13 m in FRC036 including 4m @ 5.4 g/t from 16 m and inclusive of 1m @ 9.3 g/t from 18 m). This mineralisation is open both along strike to the north and down dip (Refer Figure 1) and opens up potential for extension of the deposit to the north which is untested.

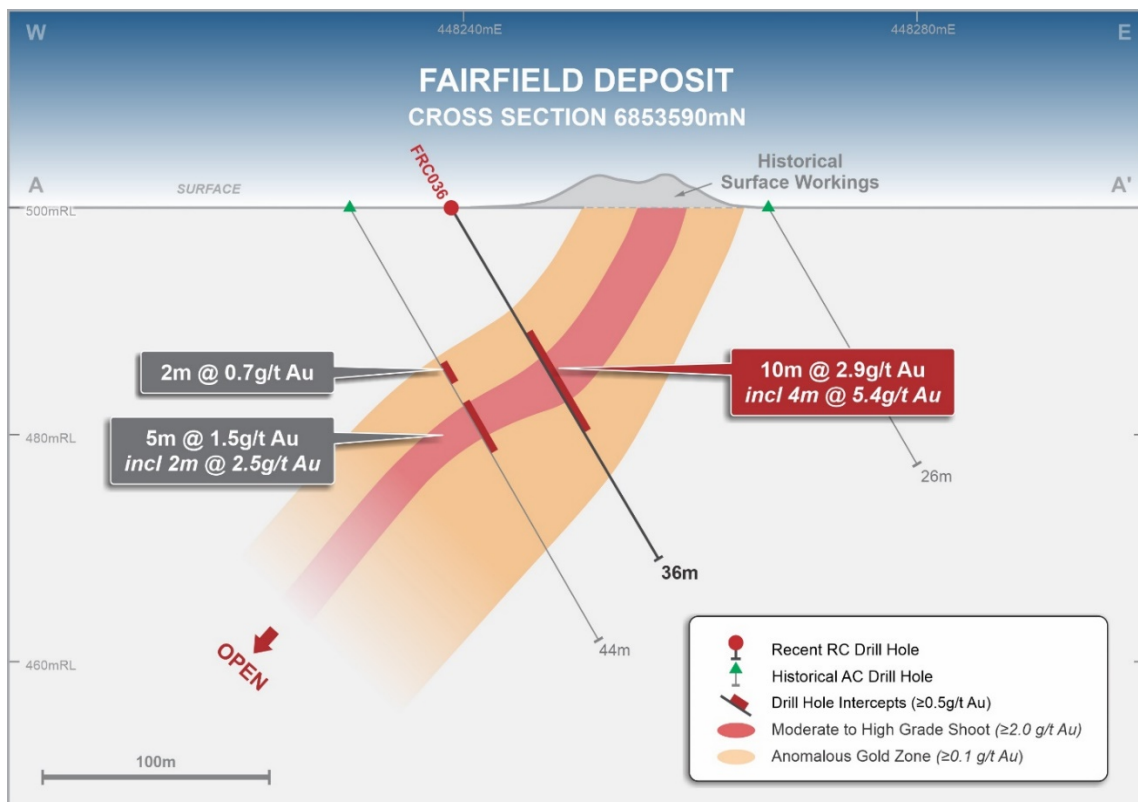


Figure 1: Drill Hole Section A---A' at Northern end of Fairfield Deposit.

Future work is currently being planned at Fairfield with further drilling warranted to test the strike extent of mineralisation discovered in FRC036 (10m at 2.99g/t) which remains open to the north and at depth. Resource modelling and subsequent technical and economic studies will be deferred until further drilling has been completed.

The Group continues to review its Gold assets as to their potential to monetize value from the respective projects. Results from these programs will drive the nature of future exploration work to be undertaken.

The Group's Mineral Resource Statement (Table 1 and Table 2) has been compiled in accordance with the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code 2012 Edition) and Chapter 5 of the ASX Listing Rules and ASX Guidance Note 31.

**Table 1: Mineral Resource Estimate<sup>1,2</sup> for NiWest Project at 0.8% Ni Cut-off Grade**

Deposit	JORC Classification	Tonnes (million)	Nickel Grade (%)	Cobalt Grade (%)	Nickel Metal (kt)	Cobalt Metal (kt)
<b>Mt Kilkenny<sup>1</sup></b>	Measured	8.8	1.11	0.063	98	5.6
	Indicated	12.7	1.09	0.079	138	10.0
	Inferred	4.5	0.98	0.051	44	2.3
	<b>Total*</b>	<b>26.0</b>	<b>1.08</b>	<b>0.069</b>	<b>279</b>	<b>17.9</b>
<b>Eucalyptus<sup>1</sup></b>	Indicated	23.7	1.04	0.064	247	15.3
	Inferred	12.8	0.95	0.056	121	7.1
	<b>Total*</b>	<b>36.5</b>	<b>1.01</b>	<b>0.061</b>	<b>368</b>	<b>22.4</b>
<b>Hepi<sup>1</sup></b>	Measured	1.6	1.20	0.078	19	1.2
	Indicated	1.5	1.01	0.073	15	1.1
	Inferred	1.4	0.95	0.074	14	1.1
	<b>Total*</b>	<b>4.5</b>	<b>1.06</b>	<b>0.075</b>	<b>48</b>	<b>3.4</b>
<b>Mertondale<sup>2</sup></b>	Indicated	1.9	0.98	0.070	18	1.3
	<b>Total*</b>	<b>1.9</b>	<b>0.98</b>	<b>0.070</b>	<b>18</b>	<b>1.3</b>
<b>Waite Kauri<sup>2</sup></b>	Measured	1.5	1.01	0.062	15	0.9
	Indicated	0.3	0.91	0.025	3	0.1
	Inferred	0.0	0.09	0.015	0	0.0
	<b>Total*</b>	<b>1.8</b>	<b>0.98</b>	<b>0.054</b>	<b>18</b>	<b>1.0</b>
<b>Murrin North<sup>2</sup></b>	Measured	3.4	0.98	0.062	33	2.1
	Indicated	0.1	0.88	0.051	1	0.1
	Inferred	0.1	0.86	0.083	1	0.1
	<b>Total*</b>	<b>3.7</b>	<b>0.97</b>	<b>0.062</b>	<b>35</b>	<b>2.3</b>
<b>Wanbanna<sup>2</sup></b>	Indicated	10.1	1.03	0.066	104	6.7
	Inferred	0.7	0.99	0.070	7	0.5
	<b>Total*</b>	<b>10.8</b>	<b>1.03</b>	<b>0.066</b>	<b>111</b>	<b>7.2</b>
<b>NiWest Project</b>	Measured	15.2	1.08	0.064	165	9.8
	Indicated	50.4	1.04	0.068	527	34.5
	Inferred	19.5	0.95	0.057	186	11.0
	<b>TOTAL*</b>	<b>85.2</b>	<b>1.03</b>	<b>0.065</b>	<b>878</b>	<b>55.4</b>

\* Columns may not total exactly due to rounding. Tonnages are reported as dry tonnage.

1 ASX Release 2 August 2018

2 ASX Release 21 February 2017

**Table 2: Mineral Resource Estimate<sup>1,2</sup> for NiWest Project at 1.0% Ni Cut-off Grade**

Deposit	JORC Classification	Tonnes (million)	Nickel Grade (%)	Cobalt Grade (%)	Nickel Metal (kt)	Cobalt Metal (kt)
Mt Kilkenny <sup>1</sup>	Measured	5.7	1.22	0.072	70	4.1
	Indicated	7.8	1.20	0.094	93	7.3
	Inferred	1.7	1.11	0.060	19	1.1
	<b>Total*</b>	<b>15.2</b>	<b>1.20</b>	<b>0.082</b>	<b>182</b>	<b>12.4</b>
Eucalyptus <sup>1</sup>	Indicated	12.5	1.16	0.074	145	9.2
	Inferred	3.1	1.08	0.062	34	1.9
	<b>Total*</b>	<b>15.6</b>	<b>1.15</b>	<b>0.072</b>	<b>178</b>	<b>11.2</b>
Hepi <sup>1</sup>	Measured	1.1	1.34	0.088	14	0.9
	Indicated	0.7	1.12	0.086	8	0.6
	Inferred	0.4	1.07	0.104	5	0.5
	<b>Total*</b>	<b>2.2</b>	<b>1.21</b>	<b>0.090</b>	<b>27</b>	<b>2.0</b>
Mertondale <sup>2</sup>	Indicated	0.7	1.14	0.070	8	0.5
	<b>Total*</b>	<b>0.7</b>	<b>1.14</b>	<b>0.070</b>	<b>8</b>	<b>0.5</b>
Waite Kauri <sup>2</sup>	Measured	0.5	1.25	0.087	6	0.5
	Indicated	0.1	1.08	0.015	1	0.0
	Inferred	0.0	1.07	0.000	0	0.0
	<b>Total*</b>	<b>0.6</b>	<b>1.23</b>	<b>0.079</b>	<b>7</b>	<b>0.5</b>
Murrin North <sup>2</sup>	Measured	1.2	1.14	0.070	14	0.9
	Indicated	0.0	1.04	0.070	0	0.0
	Inferred	0.0	0.00	0.000	0	0.0
	<b>Total*</b>	<b>1.3</b>	<b>1.14</b>	<b>0.070</b>	<b>14</b>	<b>0.9</b>
Wanbanna <sup>2</sup>	Indicated	4.7	1.19	0.080	56	3.8
	Inferred	0.3	1.16	0.080	3	0.2
	<b>Total*</b>	<b>5.0</b>	<b>1.19</b>	<b>0.080</b>	<b>59</b>	<b>4.0</b>
NiWest Project	Measured	8.5	1.22	0.074	104	6.4
	Indicated	26.5	1.18	0.081	311	21.4
	Inferred	5.6	1.09	0.066	61	3.7
	<b>TOTAL*</b>	<b>40.6</b>	<b>1.17</b>	<b>0.077</b>	<b>476</b>	<b>31.4</b>

\* Columns may not total exactly due to rounding. Tonnages are reported as dry tonnage.

1 ASX Release 2 August 2018

2 ASX Release 21 February 2017

## NiWest Ore Reserve Statement

The Group's Ore Reserve Statement has been compiled in accordance with the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code 2012 Edition) and Chapter 5 of the ASX Listing Rules and ASX Guidance Note 31.

**Table 3: NiWest Ore Reserve Estimate<sup>1</sup> at 0.5% Ni cut-off**

Orebody	JORC Classification	Tonnes (million)	Nickel Grade (%)	Cobalt Grade (%)
Mt Kilkenny	Probable	27.9	0.96	0.06
Eucalyptus	Probable	32.2	0.87	0.05
Hepi	Probable	4.7	0.91	0.06
<b>Total*</b>	<b>Probable</b>	<b>64.9</b>	<b>0.91</b>	<b>0.06</b>

\* Columns may not total exactly due to rounding errors. Tonnages are reported as dry tonnage

1 ASX Release 2 August 2018



### **Results from Operations**

The Group recorded a net loss (after tax) for the half year to 31 December 2020 of \$46,608 (31 December 2019: \$247,860).

Exploration and evaluation expenditure of \$642,520 was capitalised in the half year to 31 December 2020 (30 June 2020: \$1,124,444).

### **Subsequent Events**

The Group continues to follow advice from Health Authorities and the necessary steps to protect people engaged with the Group's activities. Working from home measures were eased several months ago as were travel restrictions throughout the regions in WA. Other restrictions that remain in place are not having a material effect on the Group's activities.

No other matters or circumstances have arisen since the end of the reporting period which significantly affected or may significantly affect the Group's operations, the results of those operations or the Group's state of affairs in future financial years.

### **Auditor's Independence Declaration**

Section 307C of the *Corporations Act 2001* requires our auditors, HLB Mann Judd, to provide the directors of the Group with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 8 and forms part of this directors' report for the half-year ended 31 December 2020.

This report is signed in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, appearing to read 'James Sullivan', is written over a light grey circular watermark.

**James Sullivan**

Managing Director

Dated this 11th day of March 2021

## **Competent Person Statements**

### ***NiWest Nickel Project***

*Where the Company refers to the NiWest Nickel-Cobalt Project Prefeasibility Study 2018 and the Mineral Resource and Ore Reserve Statement (referencing the release made to the ASX on 2 August 2018), 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 continue to apply and have not materially changed.*

### ***Gold Projects***

*The information in this report that relates to Mining and Exploration Results is based on information compiled by Mr Mark Gunther who is a member of The Australasian Institute of Geoscientists. Mr Gunther 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 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Gunther consents to the inclusion in the report of the matters based on information provided in the form and context in which it appears.*

### ***Forward Looking Statement***

*This report contains statements related to our future business and financial performance and future events or developments involving GME Resources (GME) that may constitute forward-looking statements. These statements may be identified by words such as "potential", "exploitable", "proposed open pit", "evaluation", "expect," "future," "further," "operation, "development, "plan," "permitting", "approvals", "processing agreement" or words of similar meaning. Such statements are based on the current expectations and certain assumptions of GME management & consultants, and are, therefore, subject to certain risks and uncertainties. A variety of factors, many of which are beyond GME's control, affect our operations, performance, business strategy and results and could cause the actual results, performance or achievements of GME to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.*

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of GME Resources Limited for the half-year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia  
11 March 2021



M R Ohm  
Partner

**hlb.com.au**

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Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

		<b>Consolidated</b>	
	Notes	<b>31 Dec 2020</b>	31 Dec 2019
		<b>\$</b>	<b>\$</b>
<b>Continuing Operations</b>			
Other income	2	<b>155,114</b>	100,000
Management and consulting expenditure		<b>(45,000)</b>	(57,000)
Depreciation and amortisation expense		<b>(40,431)</b>	(250)
Exploration written off	4	-	(137,603)
Other expenses		<b>(113,781)</b>	(153,521)
<b>Results from operations</b>		<b>(44,098)</b>	(248,374)
Financial income		<b>184</b>	514
Financial expenses		<b>(2,694)</b>	-
Net financial expenditure		<b>(2,510)</b>	514
			-
<b>Profit/(loss) before income tax</b>		<b>(46,608)</b>	(247,860)
Income tax benefit		-	-
<b>Net profit/(loss) for the half year</b>		<b>(46,608)</b>	(247,860)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the half year		<b>(46,608)</b>	(247,860)
Basic earnings/(loss) per share (cents)		<b>(0.009)</b>	(0.05)
Diluted earnings/(loss) per share (cents)		<b>(0.009)</b>	(0.05)

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2020**

		<b>Consolidated</b>	
	Notes	<b>31 Dec 2020</b>	30 Jun 2020
		\$	\$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents		<b>835,357</b>	132,485
Trade and other receivables	3	<b>33,167</b>	26,650
Prepayments		<b>22,515</b>	10,302
<b>Total Current Assets</b>		<b>891,039</b>	169,437
<b>Non-Current Assets</b>			
Trade and other receivables	3	<b>20,301</b>	20,301
Plant and equipment		<b>35,491</b>	40,545
Deferred exploration and evaluation expenditure	4	<b>32,826,780</b>	32,184,260
Right of use assets	5	<b>91,726</b>	89,280
<b>Total Non-Current Assets</b>		<b>32,974,298</b>	32,334,386
<b>Total Assets</b>		<b>33,865,337</b>	32,503,823
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	6	<b>106,269</b>	187,517
Payroll liabilities		<b>9,867</b>	8,606
Lease liabilities	7	<b>64,729</b>	45,092
<b>Total Current Liabilities</b>		<b>180,865</b>	241,215
<b>Non-Current Liabilities</b>			
Lease Liabilities	7	<b>23,383</b>	45,003
<b>Total Non-Current Liabilities</b>		<b>23,383</b>	45,003
<b>Total Liabilities</b>		<b>209,248</b>	286,218
<b>Net Assets</b>		<b>33,656,089</b>	32,217,605
<b>Equity</b>			
Issued capital	8	<b>58,125,902</b>	56,640,810
Accumulated losses		<b>(24,469,813)</b>	(24,423,205)
<b>Total Equity</b>		<b>33,656,089</b>	32,217,605

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

	<b>Consolidated</b>		
	Issued Capital	Accumulated Losses	Total Equity
	\$	\$	\$
Balance at 1 July 2019	56,640,810	(24,185,900)	32,454,910
Loss for the period	-	(247,860)	(247,860)
Total comprehensive loss for the period	-	(247,860)	(247,860)
Balance at 31 December 2019	56,640,810	(24,433,760)	32,207,050
<b>Balance at 1 July 2020</b>	<b>56,640,810</b>	<b>(24,423,205)</b>	<b>32,217,605</b>
Loss for the period	-	(46,608)	(46,608)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>(46,608)</b>	<b>(46,608)</b>
<b>Shares Issued net of costs</b>	<b>1,485,092</b>	<b>-</b>	<b>1,485,092</b>
<b>Balance at 31 December 2020</b>	<b>58,125,902</b>	<b>(24,469,813)</b>	<b>33,656,089</b>

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

	<b>Consolidated</b>	
	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(233,515)	(225,836)
Interest received	184	515
Facilitation fee received	100,000	-
Rent received sub-lease	37,020	-
Government subsidies received	18,094	-
Net cash outflow from operating activities	<u>(78,217)</u>	<u>(225,321)</u>
<b>Cash flows from investing activities</b>		
Payments for exploration and evaluation	(666,503)	(471,374)
Net cash outflow from investing activities	<u>(666,503)</u>	<u>(471,374)</u>
<b>Cash flows from financing activities</b>		
Proceeds from the issue of shares	1,518,720	-
Payment of costs associated with the issue of shares	(33,628)	-
Reduction in lease liability	(37,500)	-
Net cash inflow from financing activities	<u>1,447,592</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	<b>702,872</b>	(696,695)
Cash and cash equivalents held at the start of the period	<b>132,485</b>	1,264,607
<b>Cash and cash equivalents held at the end of the period</b>	<b><u>835,357</u></b>	<b><u>567,912</u></b>

The accompanying notes form part of these financial statements.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2020

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of preparation

The condensed interim consolidated financial statements (the interim financial statements) are general purpose interim financial statements and have been prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

The interim financial statements comprise the condensed interim financial statements for the Group. For the purposes of preparing the interim financial statements, the Group is a for-profit entity. The interim financial statements were authorised for issue on 11 March 2021.

The interim financial statements do not include full disclosures of the type normally included in the full financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report. It is recommended interim financial statements be read in conjunction with the full financial report for the year ended 30 June 2020 and any public announcements made by GME Resources Limited and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The Group is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted are consistent those of the previous financial year and corresponding half-year. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The interim financial statements have been prepared on a historical cost basis. Cost is based on fair value of the consideration given in exchange for assets.

For the purpose of preparing the interim financial statements, the half-year has been treated as a discrete reporting period.

#### (b) Adoption of new and revised standards

##### *New Standards and Interpretations applicable for the half year ended 31 December 2020*

In the period ended 31 December 2020, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current reporting period. As a result of this review, the Directors have determined that, with the exception below, there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no material change is necessary to Group accounting policies.

##### *Standards and Interpretations in issue not yet effective*

The Directors have also reviewed all Standards and Interpretations in issue not yet effective for the period ended 31 December 2020. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet effective on the Group and, therefore, no change is necessary to Group accounting policies.



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2020

### (c) Significant accounting judgements and key estimates

The preparation of half-year financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2020.

### (d) Going Concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets, given exploration expenditure is capitalized, and the settlement of liabilities in the normal course of business.

As disclosed in the financial statements, the Group recorded a loss for the period of \$46,608, and a cash outflow from operating and investing activities of \$744,720 for the period ended 31 December 2020 and at balance date, had net current assets of \$710,174.

The directors have reviewed the Group's financial position and forecast cash flows and have assessed that the Group will be required to raise additional funds by way of issuing equity to continue its exploration program as forecast and fund its administrative costs. The directors reasonably expect that the Group will be able to raise additional funds as required to meet future costs associated with its operating and exploration activities for at least the next 12 months but is able to curtail expenditure if required. The directors are therefore of the opinion that the use of the going concern basis is appropriate in the circumstances.

Should the Group be unable to raise the additional funds required, there is a material uncertainty that may cast significant doubt as to whether the Group will be able to continue as a going concern and therefore whether it will be able to realise its assets and extinguish its liabilities in the normal course of business.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

### NOTE 2: LOSS/PROFIT FROM ORDINARY ACTIVITIES

	<b>Consolidated</b>	
	Half year ended	
	<b>31 Dec 2020</b>	31 Dec 2019
	\$	\$

The following revenue items are relevant in explaining the financial performance for the half-year:

#### (a) Other income

Facilitation fee	<b>100,000</b>	100,000
Rent received sub-lease	<b>37,020</b>	-
Government subsidies received	<b>18,094</b>	-
	<b>115,114</b>	100,000

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR  
THE HALF YEAR ENDED 31 DECEMBER 2020**

**NOTE 3: TRADE AND OTHER RECEIVABLES**

	<b>Consolidated</b>	
	<b>31 Dec 2020</b>	<b>30 June 2020</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
GST refundable	26,380	15,892
Other	6,787	10,758
	<u>33,167</u>	<u>26,650</u>
<b>Non-current</b>		
Bonds	<u>20,301</u>	<u>20,301</u>

**NOTE 4: DEFERRED EXPLORATION AND EVALUATION  
EXPENDITURE**

	<b>Half year ended 31 Dec 2020</b>	<b>Year ended 30 June 2020</b>
	<b>\$</b>	<b>\$</b>
Balance at beginning of the period	32,184,260	31,247,420
Direct expenditure	642,520	1,124,444
	<u>32,826,780</u>	<u>32,371,864</u>
Less expenditure written off	-	(187,604)
<b>Total deferred exploration and evaluation expenditure</b>	<u>32,826,780</u>	<u>32,184,260</u>

The ultimate recoupment of the above deferred exploration and evaluation expenditure is dependent on the successful development and commercial exploitation or alternatively sale of the respective areas at amounts sufficient to recover the expenditure.

**NOTE 5: RIGHT OF USE ASSETS**

	<b>Consolidated</b>	
	<b>31 Dec 2020</b>	<b>30 June 2020</b>
	<b>\$</b>	<b>\$</b>
Cost	138,226	138,226
Additions	37,823	-
Accumulated depreciation	(84,323)	(48,946)
	<u>91,726</u>	<u>89,280</u>

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

**NOTE 6: TRADE AND OTHER PAYABLES**

	<b>Consolidated</b>	
	<b>31 Dec 2020</b>	30 June 2020
	\$	\$
Trade payables and accruals	<b>106,269</b>	187,517
	<b>106,269</b>	187,517

**NOTE 7: LEASE LIABILITIES**

	<b>Consolidated</b>	
	<b>31 Dec 2020</b>	30 June 2020
	\$	\$
Current	<b>64,729</b>	45,092
Non-current	<b>23,383</b>	45,003
	<b>93,112</b>	90,095

The Group has two operating leases for its premises, the lease terms are 12 months with options to extend for further 12-month terms.

**NOTE 8: ISSUED CAPITAL**

	<b>Consolidated</b>	
	<b>31 Dec 2020</b>	30 June 2020
	\$	\$
<i>Ordinary shares</i>		
Issued and fully paid	<b>58,125,902</b>	56,640,810
	<b>No.</b>	<b>\$</b>
<i>Movements in ordinary shares on issue</i>		
At 1 July 2020	506,242,920	56,640,810
Entitlement Issue	50,624,010	1,518,720
Costs of share issue	-	(33,628)
At 31 December 2020	<b>556,866,930</b>	<b>58,125,902</b>

In August 2020, the Group issued 50,624,010 new shares in the Group at \$0.03 per share pursuant to a Renounceable Entitlement Offer (refer ASX Announcement: 3 July 2020).

## **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

### **NOTE 9: DIVIDENDS**

No dividends were paid or declared during the period.

### **NOTE 10: SEGMENT REPORTING**

The Group has adopted AASB 8 *Operating Segments* which requires operating segments to be identified on the basis of internal reports about components of the Group that are reviewed by the chief operating decision maker in order to allocate resources to the segment and assess its performance. The Board of GME Resources Limited reviews internal reports prepared as consolidated financial statements and strategic decisions of the Group are determined upon analysis of these internal reports. During the period, the Group operated predominantly in one business and geographical segment being the resources sector in Australia. Accordingly, under the 'management approach' outlined only one operating segment has been identified and no further disclosure is required in the notes to the consolidated financial statements.

### **NOTE 11: CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There has been no change in contingent liabilities or contingent assets since the last annual reporting date.

### **NOTE 12: FINANCIAL INSTRUMENTS**

The group has a number of financial instruments which are not measured at fair value in the statement of financial position. The Directors consider that the carrying amount of these financial instruments are a reasonable approximation of their fair value.

### **NOTE 13: EVENTS AFTER BALANCE DATE**

The impact of the Coronavirus (COVID-19) pandemic is ongoing. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided. It is not practicable to estimate the potential impact, positive or negative, after the reporting date.

No other matters or circumstances have arisen since the end of the reporting period which significantly affected or may significantly affect the Group's operations, the results of those operations or the Group's state of affairs in future financial years.

## DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 9 to 17 are in accordance with the *Corporations Act 2001* including:
  - a. complying with the Accounting Standards, Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - b. giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year then ended.
2. In the directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors, made pursuant to s303(5) of the *Corporations Act 2001*.

A handwritten signature in black ink, appearing to read 'James Sullivan', is written over a light grey rectangular background.

**James Sullivan**  
Director

Dated this 11th day of March 2021

## **INDEPENDENT AUDITOR'S REVIEW REPORT**

To the members of GME Resources Limited

### **Report on the Condensed Half-Year Financial Report**

#### *Conclusion*

We have reviewed the accompanying half-year financial report of GME Resources Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2020, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of GME Resources Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### *Basis for conclusion*

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### *Material uncertainty related to going concern*

We draw attention to Note 1(d) in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

#### *Responsibility of the directors for the financial report*

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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*Auditor's responsibility for the review of the financial report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

*HLB Mann Judd*

**HLB Mann Judd**  
**Chartered Accountants**

**Perth, Western Australia**  
**11 March 2021**



**M R Ohm**  
**Partner**