

ASX ANNOUNCEMENT/MEDIA RELEASE

21 July 2022

Updated PFS Outcomes for NiWest Nickel-Cobalt Project

GME Resources Limited (“**GME**” or “the **Company**”) (**ASX: GME**) is pleased to advise of the completion of an update to the cost estimates and price/A\$/US\$ inputs into the Pre-Feasibility Study (“**PFS**”) for the 100%-owned NiWest Nickel-Cobalt Project in Western Australia (“**NiWest**” or “the **Project**”). This update has confirmed the robustness of a long-life operation directly producing high-purity nickel and cobalt sulphate products to be delivered into lithium-ion battery raw material markets

- Incorporates higher nickel and cobalt prices and cost escalation impacts since original PFS completed in mid-2018; current LME spot prices of approx. US\$9.80/lb nickel and US\$27/lb cobalt.
- Mine and process schedule, along with all PFS physical parameters (incl. Ore Reserve), unchanged:
 - Low-strip open pit mining and heap leaching followed by highly efficient Direct Solvent Extraction (DSX) to produce low-cost nickel and cobalt sulphate products. Initial 27-year operating life at a nameplate processing capacity of 2.4Mtpa.
 - Total production of 456kt nickel (in nickel sulphate) and 31.4kt cobalt (in cobalt sulphate). Average annual production of 19.2kt nickel and 1.4kt cobalt over the first 15 years.
- Update delivers substantial increases to projected economic returns from development of NiWest.

Table 1: Key updated PFS outcomes

Financial metric	PFS (Aug 2018)	Price Case 1 (Jul 2022)	Price Case 2 (Jul 2022)	Price Case 3 (Jul 2022)
LME nickel price (US\$/lb)	7.25	9.00	10.00	11.00
Nickel sulphate premium (%)	10%	10%	10%	10%
LME cobalt price (US\$/lb)	25.00	28.50	32.00	35.00
Cobalt sulphate premium (%)	-	-	-	-
A\$/US\$	0.75	0.70	0.70	0.70
Avg cash opex (post Co credits) (US\$/lb Ni)	3.24	3.99	3.79	3.63
Pre-production capex (A\$M)	966	1,261	1,261	1,261
Life-of-mine sustaining capex (A\$M)	582	742	742	742
Total free cashflow (post-tax) (A\$M)	3,342	4,494	5,797	7,067
NPV (ungeared, post-tax, 8% real) (A\$M)	791	1,082	1,587	2,079
IRR (ungeared, post-tax)	16.2%	16.5%	19.9%	23.0%

- Substantial further upside potential from inclusion of Wanbanna, Murrin North, Waite Kauri and Mertondale deposits into NiWest mine schedule to optimise grade profile, increase operating life and/or expand throughput.
- **Updated PFS outcomes have resulted in GME Board seeking to proceed to Definitive Feasibility Study (DFS) on NiWest; scope and cost of works currently under development.**

Updated NiWest PFS outcomes

NiWest hosts one of the highest-grade undeveloped nickel laterite Mineral Resources in Australia estimated to contain 85.2 million tonnes averaging 1.03% nickel and 0.06% cobalt (see Table 2). Over 75% of the resource is contained within the Measured and Indicated JORC categories with potential to expand the currently delineated mineralisation with further drilling.

Table 2: NiWest Mineral Resource estimate

Classification	Tonnes (Mt)	Ni Grade (%)	Co Grade (%)	Ni Metal (kt)	Co Metal (kt)
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
Total	85.2	1.03	0.065	878	55.4

Columns may not total exactly due to rounding errors; tonnages are reported as dry tonnage. For full details refer to GME ASX release dated 8 August 2018, NiWest Nickel-Cobalt Project Pre-Feasibility Study. GME confirms that it is not aware of any new information or data that materially affects the Mineral Resource estimate information included in that release. All material assumptions and technical parameters underpinning the Mineral Resource estimate in that release continue to apply and have not materially changed.

An extensive PFS was completed on NiWest and released in mid-2018, including declaration of a maiden Ore Reserve (“PFS 2018”). This study demonstrated the technical and economic robustness of a long-life operation directly producing high-purity nickel and cobalt sulphate products to be delivered into high-growth lithium-ion battery raw material markets. For full details of the PFS 2018, refer to GME ASX release dated 2 August 2018, NiWest Nickel-Cobalt Project Pre-Feasibility Study.

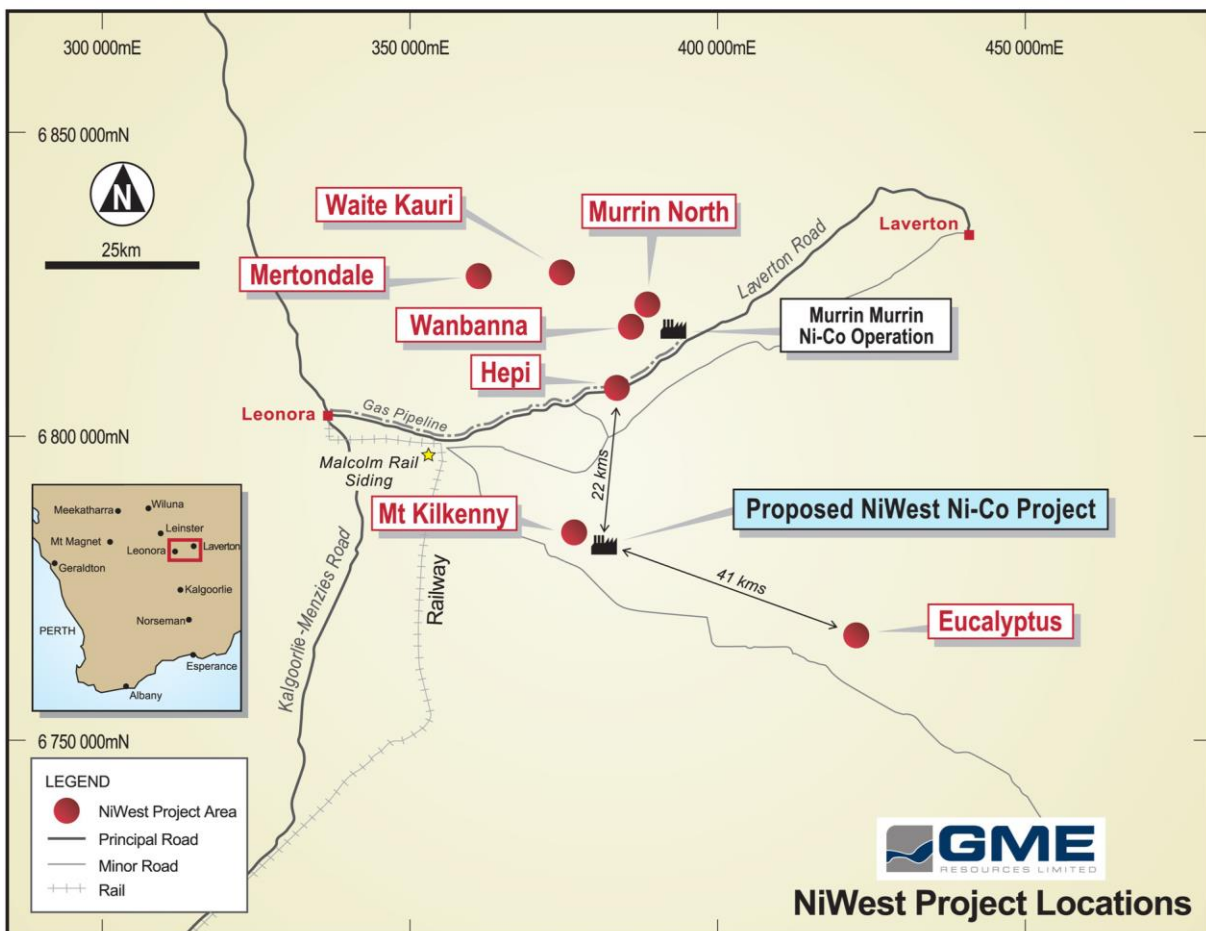


Figure 1: NiWest Project location showing individual deposit areas and proximity to infrastructure

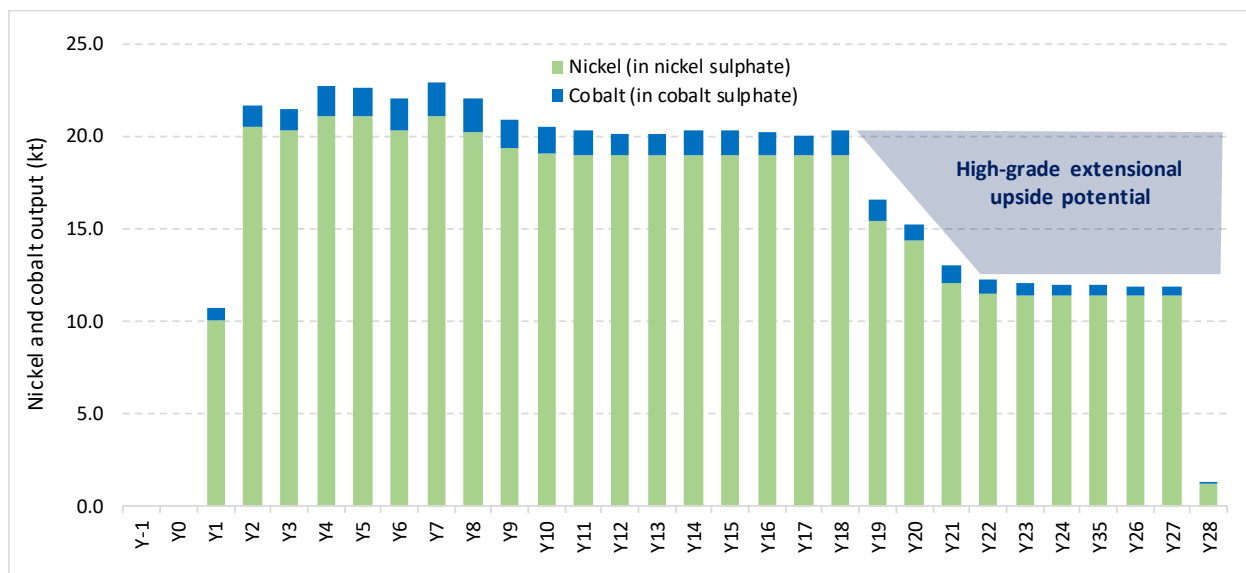
As previously announced (refer GME ASX release dated 8 April 2022, *NiWest Nickel-Cobalt Project – PFS Update Commenced*), GME, in conjunction with its key consultants, has undertaken an update of the cost and metal/A\$/US\$ price assumptions utilised in the PFS 2018. All physical parameters from the PFS 2018 remain unchanged as part of this exercise, including the mine and process schedule and the Ore Reserve. For a summary of key modifying factors within the Updated PFS process, refer to Appendix A of this release (*NiWest Nickel/Cobalt Project, Updated Pre-Feasibility Study Executive Summary: Capital and Operating Costs Review, July 2022*).

The key physical parameters from the PFS 2018 are presented in Table 3 and Figure 2.

Table 3: Key PFS 2018 physical and operational outcomes

Physical Parameters	Unit	First 15 years	LOM total
Construction and Ramp-up			
Construction period (incl. 6 months mining)	months	na	24
Heap pad and plant ramp-up phase	months	na	20
Mining			
Mining activities	years	15	20
Ore mined	Mt	54.0	64.9
Waste mined	Mt	115.2	132.9
Strip ratio	waste:ore	2.1	2.0
Processing			
Ore processed	Mt	36.0	64.9
Processing life	years	15.0	27.1
Nickel head grade	% Ni	1.05	0.91
Cobalt head grade	% Co	0.071	0.058
Steady-state nickel recovery	%	79	79
Steady-state cobalt recovery	%	85	85
Contained nickel produced	kt	288	456
Nickel sulphate produced (99.95% purity)	kt	1,290	2,044
Contained cobalt produced	kt	21.0	31.4
Cobalt sulphate produced (>99.9% purity)	kt	99.9	149.9

Figure 2: NiWest nickel and cobalt production (contained in sulphates)



Forecast operating and capital costs have been re-estimated through a process of further prospective supplier interaction and general inflationary scaling. These revised cost estimates are presented in Tables 4 and 5 and have an estimated band of certainty of +/-35%, with the pre-production capital estimate also incorporating an increased contingency allowance of approximately 25%.

Table 4: Operating cost estimates

Item	A\$/t ore processed	A\$/t Ni produced	A\$/lb Ni produced
Updated PFS			
Mining	27.4	3,902	1.77
Processing	81.5	11,623	5.27
General and admin	7.2	1,023	0.46
Product distribution	6.8	966	0.44
Total (ex royalties)	122.9	17,514	7.94
PFS 2018			
Mining	21.2	3,026	1.37
Processing	63.1	9,000	4.08
General and admin	5.8	825	0.37
Product distribution	5.7	809	0.37
Total (ex royalties)	95.8	13,660	6.19

Table 5: Capital cost estimates

Category	Breakdown	Updated PFS (A\$M)	PFS 2018 (A\$M)
Direct Costs	Crushing and Heap Leaching		138.0
	Processing		193.7
	Utilities and Reagents (including acid plant)		312.9
	General Infrastructure		42.3
Total Direct Costs		852.6	686.8
Indirect Costs	EPCM		72.7
	Owners		9.7
	Other Indirects		76.8
Total Indirect Costs		185.3	159.3
Contingency	% of Total Directs (25% 2022, 17.5% 2018)	222.6	120.2
Total Pre-Production Capital		1,260.5	966.3
Life-of-Mine Sustaining Capital		742.0	582.0

Updated NiWest PFS financial projections incorporating these revised cost estimates under several nickel, cobalt and A\$/US\$ price scenarios are presented in Table 6. The basis for these revised price assumptions is outlined in Appendix A, as with the sensitivity of financial outcomes to key input estimates.

Table 6: Key updated financial projections

Financial Outcomes	Unit	PFS (Aug 2018)	Case 1 (Jul 2022)	Case 2 (Jul 2022)	Case 3 (Jul 2022)
Price Inputs					
LME nickel price	US\$/lb	7.25	9.00	10.00	11.00
Realised contained nickel price (in sulphate)	US\$/lb	8.00	9.90	11.00	12.10
LME cobalt price	US\$/lb	25.00	28.50	32.00	35.00
Realised contained cobalt price (in sulphate)	US\$/lb	25.00	28.50	32.00	35.00
A\$/US\$ exchange rate	US\$	0.75	0.70	0.70	0.70
Valuation, Returns and Key Ratios					
NPV _{8%} (pre-tax, ungeared)	A\$M	1,390	1,883	2,604	3,306
NPV _{8%} (post-tax, ungeared)	A\$M	791	1,082	1,587	2,079
IRR (pre-tax, ungeared, real basis)	%	21.2	21.6%	25.9%	29.7%
IRR (post-tax, ungeared, real basis)	%	16.2	16.5%	19.9%	23.0%
Payback period (pre-tax)	Years	4.4	4.4	3.7	3.3
Pre-production capital intensity	US\$/lb pa	19.5	23.8	23.8	23.8
NPV _{8%} (pre-tax) / Pre-production capex	ratio	1.4	1.5	2.1	2.6
Project life / Payback (pre-tax)	ratio	6.1	6.2	7.3	8.3
Cashflow Summary					
Nickel sulphate revenue	A\$M	10,730	14,227	15,808	17,389
Cobalt sulphate revenue	A\$M	2,309	2,820	3,166	3,463
Total revenue	A\$M	13,039	17,047	18,974	20,852
Site operating costs	A\$M	-5,859	-7,550	-7,550	-7,550
Product distribution costs	A\$M	-369	-441	-441	-441
Royalties – State and private	A\$M	-429	-559	-627	-693
Project operating surplus	A\$M	6,381	8,497	10,356	12,168
Pre-production capital expenditure	A\$M	-966	-1,261	-1,261	-1,261
LOM sustaining capital expenditure	A\$M	-582	-742	-742	-742

Project free cashflow (pre-tax)	A\$M	4,833	6,494	8,353	10,165
Tax paid	A\$M	-1,490	-2,000	-2,556	-3,099
Project net cashflow (post-tax)	A\$M	3,342	4,494	5,797	7,067
Unit Cash Operating Costs					
Net operating costs (post Co credits)	A\$/lb Ni	4.32	5.70	5.42	5.19
Net operating costs (post Co credits)	US\$/lb Ni	3.24	3.99	3.79	3.63
All-in-sustaining cost (AISC)	US\$/lb Ni	3.68	4.50	4.31	4.15

Further upside opportunities

The PFS is based on mining and processing of solely the economic component of the Measured and Indicated Resources within the Eucalyptus, Hepi and Mt Kilkenny deposits. As such, the Inferred Resources within these three deposits, combined with the entire Wanbanna, Murrin North, Waite Kauri and Mertondale deposits, presents significant potential opportunity to deliver further grade profile optimisation and increase the operating life and/or the production rate of the NiWest Project. Further infill drilling is required to increase the resource classification at each of the respective deposits.

Next Steps

The Updated PFS outcomes have resulted in the GME Board seeking to proceed to a DFS on NiWest. The scope and cost of works for a DFS is currently under development.

GME is also engaged in discussions with potential strategic partner/offtake parties as part of assessing the range of potential ownership, development and funding structures available to the NiWest Project.

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About GME Resources Limited:

GME Resources Limited is an ASX-listed 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 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 deposits in Australia. Further information is available on GME's website: www.gmeresources.com.au.

APPENDIX A: SUMMARY OF KEY MODIFYING FACTORS



NiWest Nickel / Cobalt Project

Updated Pre-Feasibility Study

Capital and Operating Costs Review

Executive Summary

July 2022



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Executive Summary

Introduction

In August 2018, GME Resources completed a Pre-Feasibility Study on its 100%-owned NiWest Nickel-Cobalt Project in Western Australia (**PFS 2018**). The PFS 2018 confirmed the technical and financial robustness of a long-life operation directly producing high-purity nickel and cobalt sulphate products to be delivered into the forecast rapid growth of lithium-ion battery raw material markets. For full details of the PFS 2018 refer to GME ASX release dated 2 August 2018, *NiWest Nickel-Cobalt Project Pre-Feasibility Study*.

The PFS 2018 presented a stand-alone development pathway for the NiWest Project that incorporated detailed consideration of:

- The results from the metallurgical test work and engineering conducted on the NiWest Project by GME over the preceding five years;
- A review of the various studies conducted by other nickel-cobalt laterite industry participants and the history of underperforming/failed High Pressure Acid Leach (HPAL) laterite nickel developments over the preceding 20 years; and
- A review of the nickel and cobalt supply/demand outlooks, including the emerging battery raw materials demand from the EV market.

The selected processing route for the PFS 2018 was heap leaching of NiWest ores followed by Pregnant Leach Solution (PLS) neutralisation, Direct Solvent Extraction (DSX) and product crystallisation to produce nickel sulphate hexahydrate ($\text{NiSO}_4 \cdot 6\text{H}_2\text{O}$) and cobalt sulphate heptahydrate ($\text{CoSO}_4 \cdot 7\text{H}_2\text{O}$).

It is noteworthy that successful heap leaching of similar ores has previously been undertaken, at a commercial scale, at the nearby Murrin Murrin Operations. The choice of DSX, validated by extensive prior metallurgical test work, also presented a highly efficient and cost effective pathway to directly produce the nickel and cobalt products specifically sought-after by the high-growth EV battery manufacturing market.

The chosen flowsheet and end product strategy remains, in GME's opinion, the most attractive processing and refining approach after taking into account NiWest's specific ore characteristics combined with the technical and operating risks, relative capital intensity and final product value of various flowsheet and end product alternatives.

The PFS 2018 was completed to an overall accuracy of +/- 30%.

In April 2022, GME Resources commenced an update of the NiWest PFS 2018 Financial Model to reflect changes to the market and include an assessment of the order of magnitude increase to NiWest Project capital and operating cost estimates (**Updated PFS**). This process saw revised estimated costs requested from select suppliers of high-value operational and capital equipment and consumable materials. All physical parameters from the PFS 2018 remain unchanged in the Updated PFS.

This process sees the Updated PFS having been completed to an overall estimated accuracy of +/- 35%.

Key Parameters and Economic Outcomes

Table 1 outlines the key physical parameters of the Updated PFS, all of which remain unchanged from the PFS 2018.

Table 1: Key Updated PFS Physical Parameters (unchanged from PFS 2018)

Physical Parameters	Unit	First 15 years	Total
Construction and Ramp-up			
Construction period (incl. 6 months mining)	months	na	24
Heap pad and plant ramp-up phase	months	na	20
Mining			
Mining activities	years	15	20
Ore mined	Mt	54.0	64.9
Waste mined	Mt	115.2	132.9
Strip ratio	waste : ore	2.1	2.0

Processing			
Ore processed	Mt	36.0	64.9
Processing life	years	15.0	27.1
Nickel head grade	% Ni	1.05	0.91
Cobalt head grade	% Co	0.071	0.058
Steady-state nickel recovery	%	79	79
Steady-state cobalt recovery	%	85	85
Contained nickel produced	kt	288	456
Nickel sulphate produced (99.95% purity)	kt	1,290	2,044
Contained cobalt produced	kt	21.0	31.4
Cobalt sulphate produced (>99.9% purity)	kt	99.9	149.9

The Updated PFS presents a 27-year production life at nameplate ore throughput of 2.4Mtpa resulting in total production of 456kt nickel (in nickel sulphate) and 31.4kt cobalt (in cobalt sulphate). Forecast steady-state nickel and cobalt recoveries are 79% and 85% respectively. Average annual production over the first 15 years is expected to be 19.2ktpa nickel and 1.4ktpa cobalt.

Table 2 outlines the key financial outcomes of the Updated PFS under three relevant nickel, cobalt and A\$/US\$ price forecast scenarios as at July 2022.

Table 2: Key Updated PFS Financial Outcomes

Financial Outcomes	Unit	PFS (Aug 2018)	Price Case 1 (Jul 2022)	Price Case 2 (Jul 2022)	Price Case 3 (Jul 2022)
Price Inputs					
Realised contained Ni price (in sulphate)	US\$/lb	8.00	9.90	11.00	12.10
Realised contained Co price (in sulphate)	US\$/lb	25.00	28.50	32.00	35.00
A\$/US\$ exchange rate	US\$	0.75	0.70	0.70	0.70
Valuation, Returns and Key Ratios					
NPV _{8%} (pre-tax, ungeared)	A\$M	1,390	1,883	2,604	3,306
NPV _{8%} (post-tax, ungeared)	A\$M	791	1,082	1,587	2,079
IRR (pre-tax, ungeared, real basis)	%	21.2	21.6	25.9	29.7
IRR (post-tax, ungeared, real basis)	%	16.2	16.5	19.9	23.0
Payback period (pre-tax)	Years	4.4	4.4	3.7	3.3
Pre-production capital intensity	US\$/lb pa	19.5	23.8	23.8	23.8
NPV _{8%} (pre-tax) / Pre-production capex	capacity	1.4	1.5	2.07	2.6
Project life / Payback (pre-tax)	ratio	6.1	6.2	7.3	8.3
Cashflow Summary					
Nickel sulphate revenue	A\$M	10,730	14,227	15,808	17,389
Cobalt sulphate revenue	A\$M	2,309	2,820	3,166	3,463
Total revenue	A\$M	13,039	17,047	18,974	20,852
Site operating costs	A\$M	-5,859	-7,550	-7,550	-7,550
Product distribution costs	A\$M	-369	-441	-441	-441
Royalties – State and private	A\$M	-429	-559	-627	-693
Project operating surplus	A\$M	6,381	8,497	10,356	12,168
Pre-production capital expenditure	A\$M	-966	-1,261	-1,261	-1,261
LOM sustaining capital expenditure	A\$M	-582	-742	-742	-742
Project free cashflow (pre-tax)	A\$M	4,833	6,494	8,353	10,165
Tax paid	A\$M	-1,490	-2,000	-2,556	-3,099
Project net cashflow (post-tax)	A\$M	3,342	4,494	5,797	7,067
Unit Cash Operating Costs					

Net operating costs (post Co credits)	A\$/lb Ni	4.32	5.70	5.42	5.19
Net operating costs (post Co credits)	US\$/lb Ni	3.24	3.99	3.79	3.63
Net operating costs - first 15 years	US\$/lb Ni	3.00	3.70	3.50	3.32
All-in-sustaining cost (AISC)	US\$/lb Ni	3.68	4.50	4.31	4.15

Note: Throughout this report all dollar figures are expressed in Australian Dollars (AUD or A\$) and all tonne references are to dry metric tonnes, unless otherwise noted.

Geology and Mineral Resource

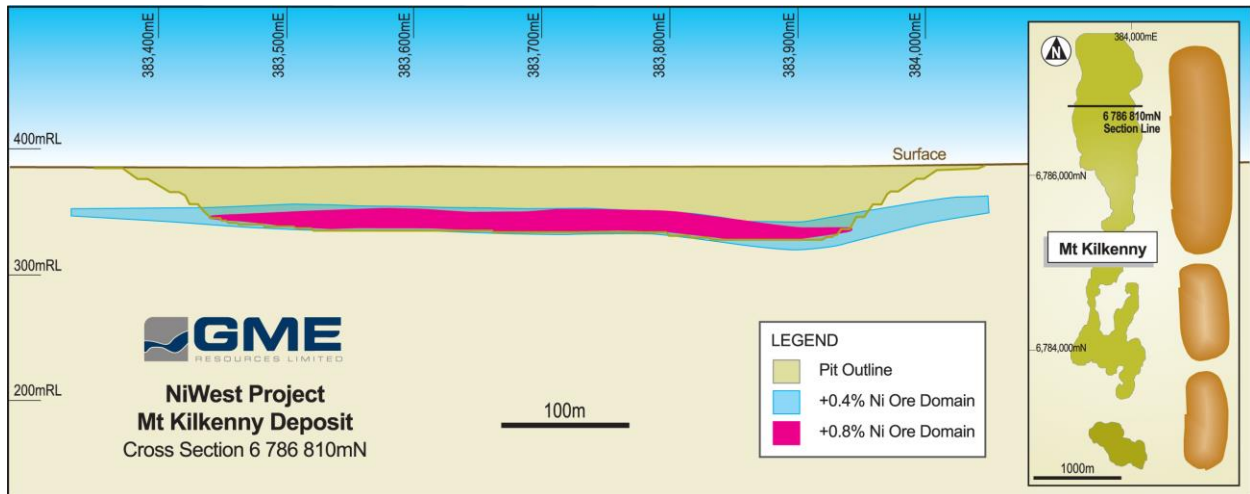
The geology and Mineral Resource estimate data has not changed since the PFS 2018. The Ni-Co mineralisation within the Murrin Domain has formed as supergene, blanket-style deposits from in-situ, lateritic weathering of serpentinised, olivine-rich peridotites.

The typical regolith/nickel laterite profile from surface within the Murrin district is comprised of:

- A thin veneer of **ferricrete, siliceous capping or colluvium cover** (the Mt Kilkenny deposit is an exception with up to 35 metres of colluvium at its northern end).
- **Ferruginous Zone** – Dominated by iron rich clays, high-grade Ni (i.e. 0.8 to 4.5% Ni) and Co in lower portions of this zone; Co associated with localized manganese oxide occurrences.
- **Smectite Zone** – Dominant clay is Nontronite (i.e. Smectite Group); high-grade Ni ore is typically hosted within the upper portions.
- **Saprolite Zone** – Dominant clay is saponite with localised magnesite and silica clumps; generally hosts low to moderate Ni laterite grades.
- **Saprock** – Weathered bedrock with less than 20% clay; laterite Ni grades generally <0.4%.

Mineralisation is laterally extensive, up to several kilometres long and 750 metres wide, with typical thicknesses of 5 to 30 metres. Localised thicknesses of up to 60 metres tapering at depth have been delineated (refer to **Figure 1**).

Figure 1: Mt Kilkenny Cross-Section



The unchanged global Mineral Resource estimate for the NiWest Project is 85.2Mt at 1.03% Ni and 0.065% cobalt (0.8% Ni cut-off, refer **Table 3**).

Table 3: Mineral Resource Estimate for NiWest Project at 0.8% Ni Cut-off Grade

JORC Classification	Tonnes (M)	Ni Grade (%)	Co Grade (%)	Ni Metal (kt)	Co Metal (kt)
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
Total*	85.2	1.03	0.065	878	55.4

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

For full details refer to GME ASX release dated 8 August 2018, *NiWest Nickel-Cobalt Project Pre-Feasibility Study*. GME confirms that it is not aware of any new information or data that materially affects the Mineral Resource estimate information included in that release. All material assumptions and technical parameters underpinning the Mineral Resource estimate in that release continue to apply and have not materially changed.

The unchanged Mineral Resource estimate for solely those deposits that are the subject of the PFS 2018 and Updated PFS (Mt Kilkenny, Eucalyptus and Hepi) is 67.0Mt at 1.04% Ni and 0.065% cobalt (0.8% Ni cut-off, refer **Table 4**).

Table 4: Mineral Resource Estimates for Mt Kilkenny, Eucalyptus and Hepi at 0.8% Ni Cut-off

Deposit	JORC Classification	Tonnes (M)	Ni Grade (%)	Co Grade (%)	Ni Metal (kt)	Co Metal (kt)
Mt Kilkenny	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
	Sub-total*	26.0	1.08	0.069	279	17.9
Eucalyptus	Indicated	23.7	1.04	0.064	247	15.3
	Inferred	12.8	0.95	0.056	121	7.1
	Sub-total*	36.5	1.01	0.061	368	22.4
Hepi	Measured	1.6	1.20	0.078	19	1.2
	Indicated	1.5	1.01	0.073	15	1.1
	Inferred	1.5	0.95	0.074	14	1.1
	Sub-total*	4.5	1.06	0.075	48	3.4
Total	Measured	10.4	1.12	0.066	117	6.8
	Indicated	37.9	1.05	0.070	400	26.4
	Inferred	18.7	0.96	0.056	178	10.4
	Total*	67.0	1.04	0.065	695	43.6

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

At a 0.8% Ni grade cut-off approximately 74% of the contained nickel in the PFS Mineral Resource estimate is classified in the Measured and Indicated categories.

Ore Reserve and Mine Scheduling

The unchanged Ore Reserve estimate for the NiWest Project is 64.9Mt at 0.91% Ni and 0.06% Co (for 592kt contained nickel and 38kt contained cobalt). This is based on a 0.5% Ni cut-off grade (refer **Table 5**).

Table 5: NiWest Project Ore Reserve Estimate (at 0.5% Ni Cut-off Grade)

Orebody	JORC Classification	Tonnes (M)	Ni Grade (%)	Co 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
Total*	Probable	64.9	0.91	0.06

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

For full details refer to GME ASX release dated 8 August 2018, *NiWest Nickel-Cobalt Project Pre-Feasibility Study*. GME confirms that it is not aware of any new information or data that materially affects the Ore Reserve estimate information included in that release. All material assumptions and technical parameters underpinning the Ore Reserve estimate in that release continue to apply and have not materially changed.

The NiWest Ore Reserve estimate includes a high grade (>0.8% Ni cut-off) component of 41.2Mt at 1.06% Ni and 0.07% Co (refer to **Table 14**). Mining and processing/refining of this high-grade component predominantly occurs during the first 15 years of NiWest operating life.

Commencement of mining activities is scheduled approximately six months prior to first heap stacking operations (commencement of processing). Mining is expected to be via conventional truck and shovel operations that are almost entirely free dig with only ferruginous capping requiring drilling and blasting.

Approximately 65Mt of ore and 133Mt of waste material is scheduled to be mined over a mining activity life of approximately 20 years (refer **Figure 2**). The life-of-mine average strip ratio is 2.0. Annual material movement is approximately 15Mtpa in Years 1-6, before dropping to around 8Mtpa for much of the remainder of mining operations.

Figure 2: Consolidated Mining Schedule

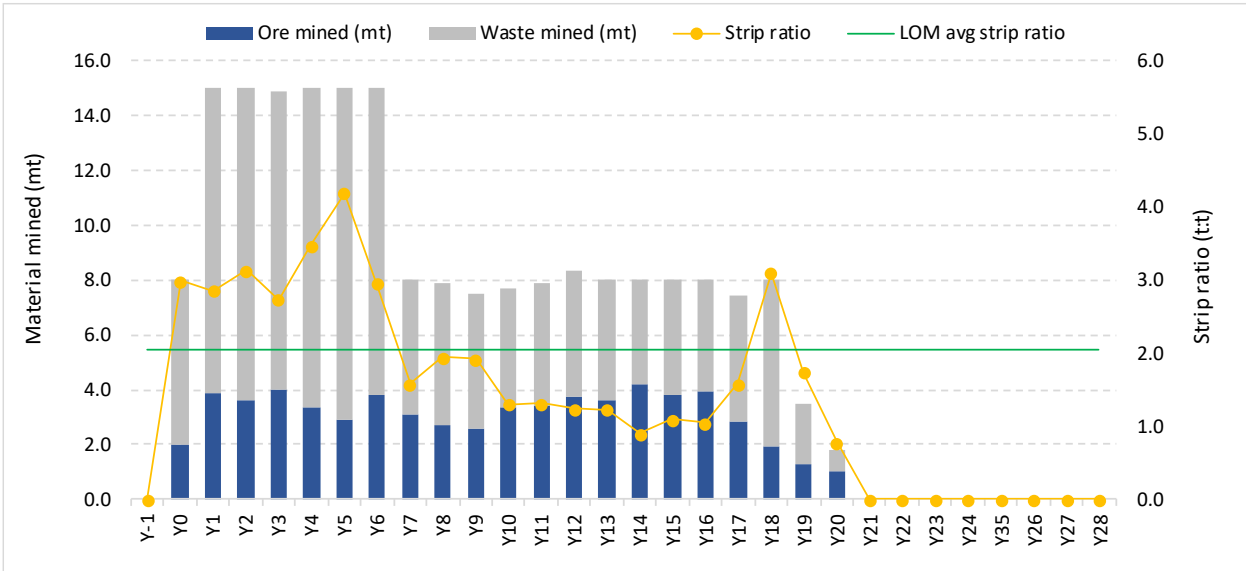
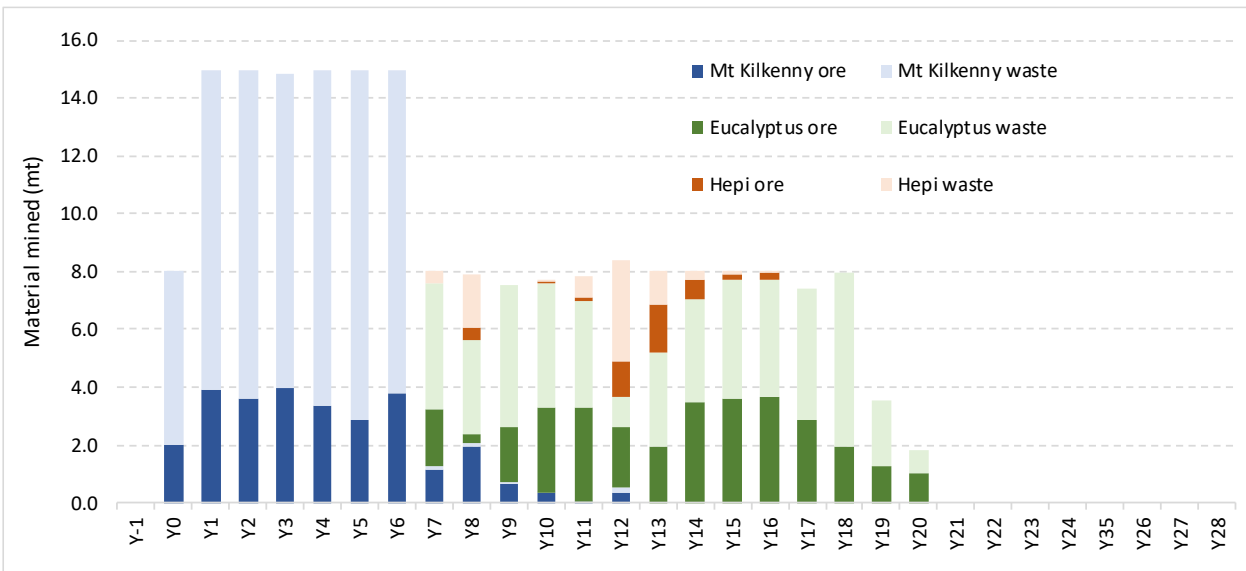


Figure 3 depicts ore and waste mining activity by deposit. Mining is initially focused solely on the Mt Kilkenny deposit, which is predominantly mined out over the first six years. Mining of the Eucalyptus and Hepi orebodies commences from Year 7 with these ores being trucked approximately 40km and 22km, respectively, to the Mt Kilkenny plant site.

Figure 3: Mining Activity by Deposit



Lower grade ore mined in the earlier years is stockpiled and subsequently reclaimed for treatment in the latter years of NiWest processing life.

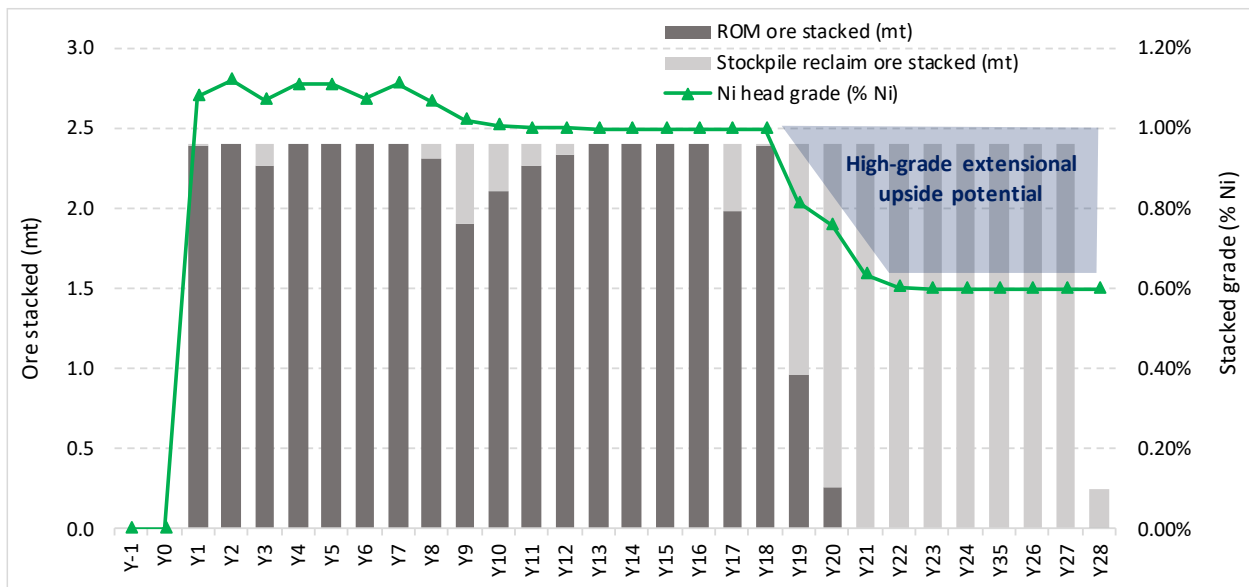
Metallurgy and Processing

The processing route for the NiWest Project is unchanged from the PFS 2018, being heap leaching followed by neutralisation, impurity removal and highly efficient Direct Solvent Extraction (DSX) and crystallisation to produce nickel and cobalt sulphate products.

The heap leach design is a function of previous column test work on NiWest ore combined with the learnings from all publicly available data in relation to the successful heap leach operations previously conducted at the nearby Murrin Murrin Operations. Projected leach recoveries (81% nickel and 87% cobalt) and residence time (210 days) were optimised by the decision to adopt 2 metre heap heights. Forecast average sulphuric acid consumption is 470kg per tonne of NiWest ore through the full process (with 450kg per tonne attributable to the heap leaching operations).

As a function of the accelerated mining profile and stockpiling of lower grade ore in earlier years, stacked nickel head grade is forecast to be maintained above 1.0% Ni (with cobalt averaging almost 0.07%) for the first 18 years of heap leach operations (refer **Figure 4**).

Figure 4: Heap Leaching Schedule



Pregnant Leach Solution (PLS) drawn-off the heap operations is processed through a series of hydrometallurgical steps involving PLS neutralisation, impurity removal, DSX and product crystallisation.

All steps in the proposed hydrometallurgical flowsheet were successfully tested as part of the GME metallurgical test work program conducted over the 18 months preceding completion of the PFS 2018 (see resultant product in **Figure 5**). Further work is planned during the early stages of a DFS to confirm the hydrometallurgical flowsheet and subsequently undertake further continuous pilot testing and detailed engineering.

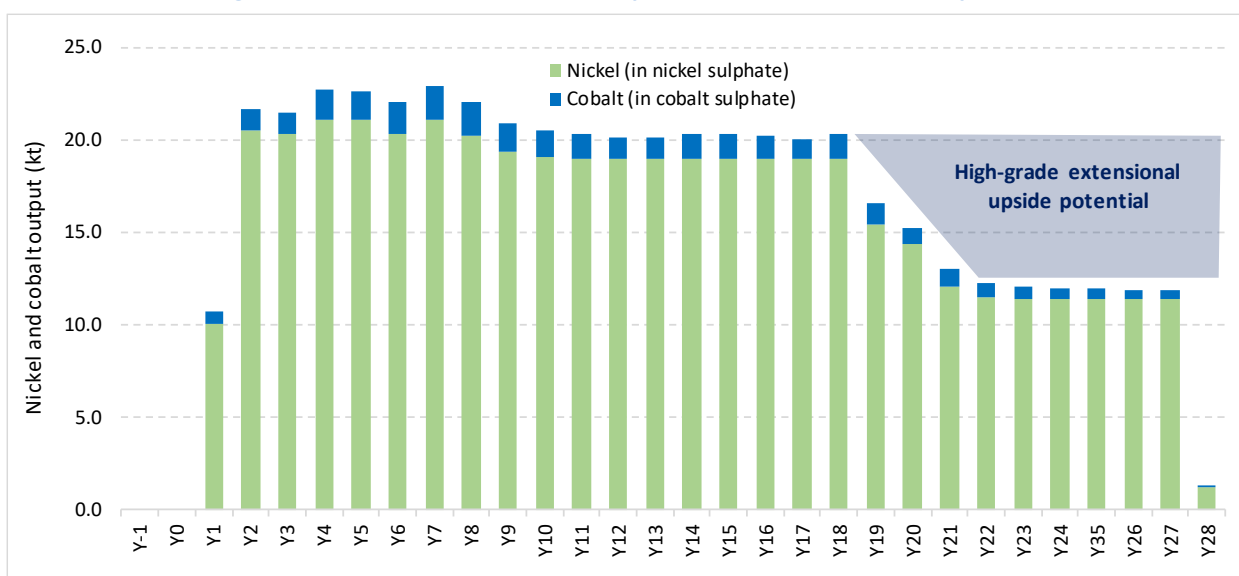
Figure 5: Nickel sulphate produced from NiWest ore through GME’s metallurgical test work program



Projected overall recoveries of nickel and cobalt (inclusive of 2% refinery losses) are 79% and 85%, respectively.

Forecast nickel and cobalt production from the NiWest Project is shown in **Figure 6**. Nickel output averages 19.2ktpa and cobalt output averages 1.4ktpa for the first 15 years (equating to approximately 86ktpa nickel sulphate hexahydrate and 6.7ktpa cobalt sulphate heptahydrate).

Figure 6: Refined nickel and cobalt production (contained in sulphates)



There is also clear opportunity to extend the high-grade feed profile and/or overall operating life at NiWest through potential conversion of Inferred Resources (within the Mt Kilkenny, Eucalyptus and Hepi deposits) and/or inclusion of other known deposits (Mertondale, Murrin North, Wanbanna, Waite Kauri) not currently incorporated in the Updated PFS.

Infrastructure and Logistics

The project area is well supported with primary infrastructure and has a 25-year history of nickel and cobalt mining operations at the nearby Murrin Murrin Operation.

The regional rail infrastructure extends to the Malcolm siding near Leonora. The Murrin Murrin Operation has been serviced from the siding for the past two decades. An existing commercial airstrip located at Leonora is planned to be utilised to transport fly-in, fly-out personnel to and from the operation.

Major imported consumables, including sulphur, are expected to be shipped via the Esperance Port facility and then trucked to site via existing sealed and unsealed roads. Final saleable nickel and cobalt sulphate products are expected to be trucked to Esperance and then shipped to various customers globally.

Sulphuric acid demand requirements for NiWest are planned to be met by a single-train, 3,300tpd sulphur-burning acid plant. The acid plant will be fitted with a heat recovery system to allow for recovery of excess heat to generate power (via steam turbines) and steam.

All requisite site power and steam demand is expected to be met by the acid plant operation, which is expected to generate approximately 21MW. Standby diesel generators will supply power during emergency periods and acid plant start-up/outage situations.

The NiWest operation is expected to require approximately 6GL of water per annum at nameplate operating capacity. Water supplies are planned to be provided by a combination of dewatering of the Mt Kilkenny deposit, local extraction around the Mt Kilkenny orebody (for which a 2GL extraction licence already exists) and a network of groundwater bores located approximately 15km west of the Mt Kilkenny deposit.

Environmental and Social Impact Assessment

GME has a longstanding history of engaging proactively and constructively with local stakeholders. Heritage and ethnographic surveys were conducted in 2007 in conjunction with representatives from the Wongatha people. Agreement was reached with the Wongatha people regarding the relocation of 'scatter' sites. No native title claims have been lodged over the NiWest Project licence area.

A considerable body of work has been carried out over an extended period in support of environmental approvals and permitting requirements for the NiWest Project. In 2018, environmental consultants, Sustainability Pty Ltd, conducted a review of the past work and investigations and determined the environmental baseline studies required in order to obtain approval to develop the NiWest Project. A detailed program, schedule and budget has been compiled and included in the future project schedule.

Operating Cost Estimate

A breakdown of the Updated PFS operating cost estimate for the NiWest Project is outlined in **Table 6**.

Mining costs include satellite haulage from the Eucalyptus and Hepi deposits, ROM pad and stockpile rehandling costs and waste dump and pit rehabilitation costs. All mining activities are planned to be via contract mining arrangements.

Processing cost is heavily driven by sulphuric acid, and therefore sulphur consumption and delivered cost (55-60% of total processing cost). Other major reagent costs include calcrete, magnesia and caustic soda. In total, variable cost elements (being predominantly reagents) account for over 80% of forecast processing costs.

General and administrative costs include all management/administrative/HSE/general labour costs and other general expenses.

Table 6: Operating Cost Summary

Item	A\$/t ore processed	A\$/t Ni produced	A\$/lb Ni produced
Updated PFS			
Mining	27.4	3,902	1.77
Processing	81.5	11,623	5.27
General and admin	7.2	1,023	0.46
Product distribution	6.8	966	0.44
Total*	122.9	17,514	7.94
PFS 2018			
Mining	21.2	3,026	1.37
Processing	63.1	9,000	4.08
General and admin	5.8	825	0.37
Product distribution	5.7	809	0.37
Total*	95.8	13,660	6.19

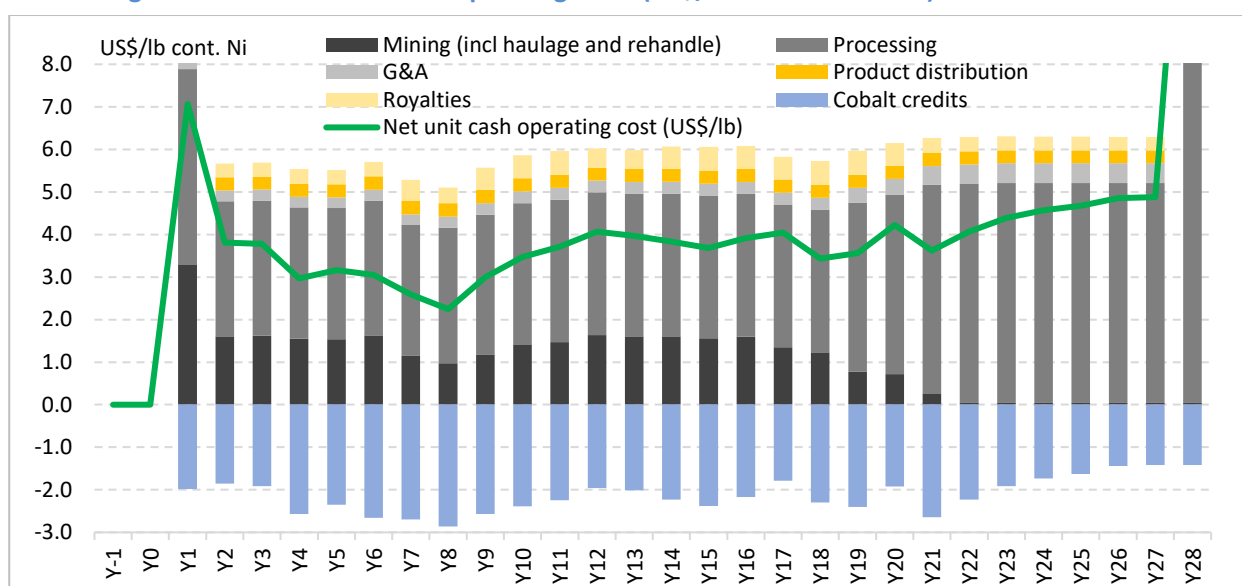
*Columns may not total exactly due to rounding

Product distribution costs includes packing in 1 tonne bulka-bags, trucking to Esperance, export through the Esperance Port facility and sea freight to North Asia CFR. Royalties comprise Western Australian State government royalties on nickel and cobalt production plus other private royalties.

On a life-of mine basis, mining costs (including haulage and ROM/stockpile rehandle) account for approximately 22% of total operating costs. The equivalent proportion for processing costs is approximately 66%. G&A costs and product distribution costs account for approximately 6%, respectively.

Forecast net unit cash costs (post cobalt credits and including royalties) average US\$3.99/lb over the life-of-mine under Price Case 1 (see **Figure 7**). This figure is lower in the earlier years as a function of accelerated mining and processing of higher grade ore during this period.

Figure 7: Forecast Unit Cash Operating Costs (US\$/lb contained nickel) under Price Case 1



Capital Expenditure Estimate

The Updated PFS pre-production capital expenditure estimate for the NiWest Project is A\$1,261M. A summary of the pre-production capital estimate for the proposed mining, processing and on-site refining is provided in **Table 7**.

Table 7: Pre-Production Capital Expenditure Estimate Summary

Category	Breakdown	Updated PFS (A\$M)	PFS 2018 (A\$M)
Direct Costs	Crushing and Heap Leaching		138.0
	Processing		193.7
	Utilities and Reagents (including acid plant)		312.9
	General Infrastructure		42.3
Total Direct Costs		852.6	686.8
Indirect Costs	EPCM		72.7
	Owners		9.7
	Other Indirects		76.8
Total Indirect Costs		185.3	159.3
Contingency	% of Total Directs (~25% 2022, 17.5% 2018)	222.6	120.2
Total		1,260.5	966.3

Total pre-production capital cost is based on the direct cost of mechanical equipment delivered and installed at site. The cost of the mechanical equipment is based on the mine plan, process flow diagrams, mass balance

flows, design criteria and equipment list. The major capital items relate to the acid plant, heap leaching, evaporation pond and main process plant.

During the PFS 2018, budget prices for approximately 75% of equipment items were obtained from vendors. As part of the Updated PFS, budget pricing was obtained from a cross section of the original vendors of both capital and operational expenditure items. Budget estimates for the same equipment and reagents were obtained from the upper 50% of items by expense to give an overall indicative percentage increase for different areas of expenditure.

The average overall cost increases obtained were then applied to the remaining equipment and consumables to give an overall percentage increase for different areas of expenditure. Additional construction materials and labour cost guidance was established based on information from the 2021 Australian quantity survey and cost report for the construction industry and consumer price index data, and these increases were also applied.

Table 8: Pre-Production Capital Expenditure Estimate Breakdown

Pre-Production Capital Cost Segment	Escalation from PFS 2018	Updated PFS (A\$M)
Direct Costs		
Site Civils/Earthworks HL & TSF		163.8
Mechanical Equipment (supplied to site)		445.4
Mechanical Installation		82.2
Civils		55.3
Structural		33.1
Piping		38.6
Electrical		25.8
Instrumentation		8.4
TOTAL DIRECT COSTS	24%	852.6
Indirect Costs		
EPCM		139.1
Owners Cost/Spares/First Fill/Commissioning		46.2
TOTAL INDIRECT COSTS	16%	185.3
Contingency (~25% of Directs)	85%	222.6
TOTAL (AUD)	30%	1,260.5

The estimate has been based on an Engineering Procurement and Construction Management (EPCM) basis. Indirect costs have been allocated including EPCM, owner's costs, and other indirects (mobilisation/demobilisation, heavy cranes, commissioning, operations readiness and first-fills).

Life-of-mine sustaining capital expenditure is estimated at A\$742M (PFS 2018: A\$582M). This comprises projected general annual sustaining expenditure in addition to specific items such as in-pit residue storage preparations, additional evaporation ponds, acid plant maintenance, satellite haul road construction and mine closure preparations.

Product Specification, Pricing and Marketing

GME is targeting production of premium, high-purity nickel and cobalt products from the NiWest Project to directly supply the rapidly growing lithium-ion battery market.

Heap leach and DSX flowsheet configuration adopted in the PFS purposefully provides flexibility to tailor final nickel and cobalt products to the specific requirements of Li-ion battery manufacturers. The pilot plant testing

conducted to date has confirmed that the various nickel and cobalt products can be produced to the requisite quality.

The PFS is based on producing nickel and cobalt in sulphate forms, namely nickel sulphate hexahydrate ($\text{NiSO}_4 \cdot 6\text{H}_2\text{O}$) and cobalt sulphate heptahydrate ($\text{CoSO}_4 \cdot 7\text{H}_2\text{O}$). The targeted content of nickel and cobalt metal in the sulphate form is extremely high purity at approximately 99.95% and >99.9% by mass, respectively.

The nickel and cobalt price assumptions utilised in the Updated PFS are based on a review of:

- a. Current spot nickel (US\$9.80/lb), cobalt (US\$27/lb) and A\$/US\$ (0.69) prices;
- b. The outlook for nickel and cobalt demand and supply;
- c. The consensus LME nickel and cobalt pricing forecasts by market analysts; and
- d. The historical and forecast premium for nickel and cobalt sulphate products.

The following forecast price scenarios have been utilised:

1. Updated PFS Price Case 1 (July 2022)

- Nickel = US\$9.00/lb LME Ni + 10% Ni sulphate premium (US\$0.90/lb)
- Cobalt = US\$28.50/lb Co + zero Co sulphate premium
- A\$/US\$ = 0.70

2. Updated PFS Price Case 2 (July 2022)

- Nickel = US\$10.00/lb LME Ni + 10% Ni sulphate premium (US\$1.00/lb)
- Cobalt = US\$32.00/lb Co + zero Co sulphate premium
- A\$/US\$ = 0.70

3. Updated PFS Price Case 3 (July 2022)

- Nickel = US\$11.00/lb LME Ni + 10% Ni sulphate premium (US\$1.10/lb)
- Cobalt = US\$35.00/lb Co + zero Co sulphate premium
- A\$/US\$ = 0.70

4. PFS 2018 (August 2018)

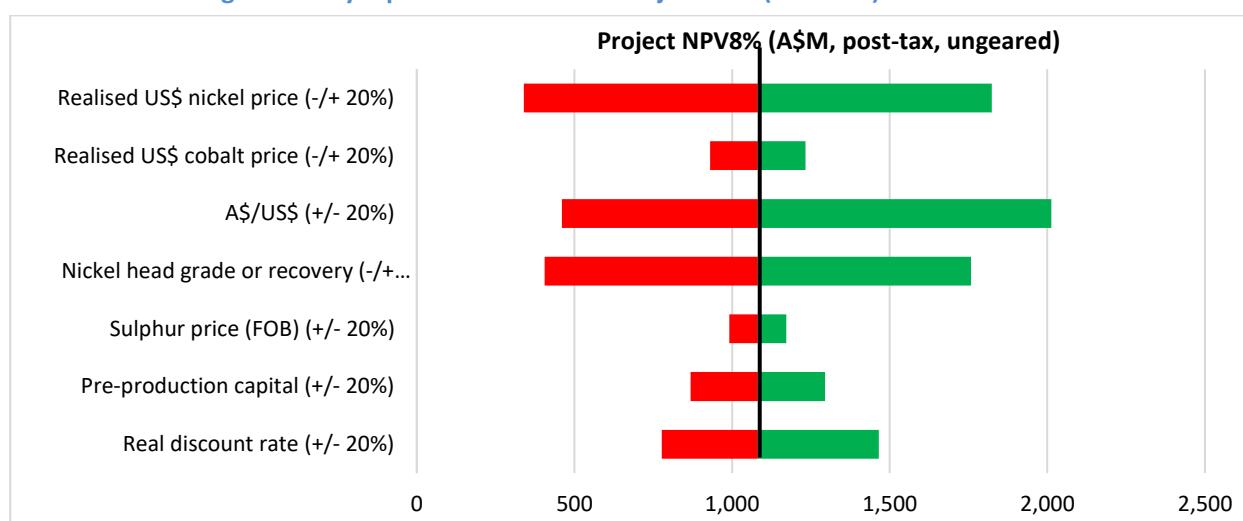
- Nickel = US\$7.25/lb LME Ni + 10% Ni sulphate premium (US\$0.75/lb)
- Cobalt = US\$25.00/lb Co + zero Co sulphate premium
- A\$/US\$ = 0.70

Under these price assumptions, nickel sulphate sales comprise approximately 78% to 88% of forecast total NiWest Project revenue, with the residual being cobalt sulphate sales.

Financial Sensitivity

Projected financial returns from the NiWest Project are most sensitive to realised US\$ nickel price, the A\$/US\$ exchange rate and nickel grade/recovery (refer **Figure 8**).

Figure 8: Key Input Sensitivities for Project NPV (Post-Tax) for Price Case 1



Project Funding

GME has formed the view that there is a reasonable basis to believe that requisite future funding for development of the NiWest Project will be available when required. There are a number of grounds on which this reasonable basis is established:

- There is currently a significant trend of downstream operators in the Electric Vehicle (EV) and Lithium Ion Battery (LiB) sectors looking to secure long term supply of consistently high quality, sustainable and non-conflict nickel and cobalt (in particular) battery raw materials. GME has held preliminary discussions with respect to possible offtake and project funding/ownership with several potential strategic partners. These include international mining companies, trading houses, and battery and automotive manufacturers capable of providing 100% of the financing required to develop the NiWest Project.
- The technical and financial parameters detailed in the NiWest Project Updated PFS are highly robust and economically attractive. The NiWest Project is ideally located in a first world country and within the highly established and low-risk mining jurisdiction of Western Australia. Release of these Updated PFS fundamentals also now provides a platform for GME to advance discussions with potential strategic partners, off-takers, debt providers and equity investors.
- GME is debt free and owns 100% of the NiWest Project. The Company has an uncomplicated, clean corporate and capital structure. Finally, 100% of the forecast nickel and cobalt sulphate production from the NiWest Project remains uncommitted. These are all factors expected to be highly attractive to potential strategic investors, offtake partners and conventional equity investors. These factors also deliver considerable flexibility in engagement with potential debt or quasi-debt providers.
- The GME Board and management team is highly experienced in the broader resources industry. They have played leading roles previously in the exploration and development of several large and diverse mining projects in Australia and Africa. In this regard, key GME personnel have a demonstrated track record of success in identifying, acquiring, defining, funding, developing and operating quality mineral assets of significant scale.
- Funding for NiWest Project pre-production and initial working capital is not expected to be required until close to or post completion of a Definitive Feasibility Study (DFS) on the Project. Finalisation of a DFS on the NiWest Project is not expected before H2 2024. The majority of market analysts/commentators globally forecast demand for high quality nickel and cobalt battery raw materials, and in particular Class 1 nickel product prices, to continue to remain strong over the intervening period.

Key Risks

The following key risks have been identified as part of the broader risk assessment process:

- Nickel sulphate market – future product specification, demand and price dynamics
- Heap leaching performance – actual nickel recovery and acid consumption level
- DSX performance – commercial scale operation and product specifications
- Sulphur price – the key reagent and operating cost component
- Calcrete price – second-largest operating cost component
- Development funding – future availability and cost

A key aspect of risk assessment and mitigation has been review of the large-scale Murrin Murrin Operations approximately 20km northwest of the NiWest Mt Kilkenny deposit.

Murrin Murrin was commissioned in 1998 and has produced effectively continuously over the subsequent 25 years. It also operated a commercial heap leach operation from 2006 until 2012 extracting nickel and cobalt in solution from scats and run-of-mine laterite ore. The Murrin Murrin and NiWest orebodies are located in the same regional and local geology.

GME has logically and to the extent possible drawn on publicly available information on Murrin Murrin to complement the geological, mining, metallurgical and engineering studies it has conducted prior to and during the PFS 2018 process. This comparative is particularly beneficial to GME in that it provides empirical data to compare with the results of the various specialist studies conducted as part of the PFS 2018.

Value Engineering Opportunities

The PFS 2018 identified a number of value engineering opportunities that have the potential to improve the NiWest Updated PFS project economics significantly.

These opportunities will be assessed in more detail over coming months and include:

1. **Inferred Resources (within the Mt Kilkenny, Eucalyptus and Hepi deposits) and other known deposits (Mertondale, Murrin North, Wanbanna, Waite Kauri) not considered in the PFS:** Potential further drilling and incorporation to extend initial high-grade feed life and/or overall operating life.
2. **Heap leaching optimisation:** Reduce evaporation losses, reduce acid consumption, reduce size of acid plant, reduce heap leach pad footprint, reduce DSX volumetric flow.
3. **By-product options:** Other leached minerals which could be recovered and bolster revenue whilst also reducing waste volume (scandium, manganese incl. battery precursor potential, magnesium sulphate).
4. **Acid plant cost:** Lower cost sourcing and delivery arrangements.
5. **Ore feed schedule:** Dynamic optimisation and flexing of mine and process scheduling across acid consumption, and nickel and cobalt recovery.
6. **Cobalt sulphate flowsheet:** Alternate lower capital and operating cost options available.

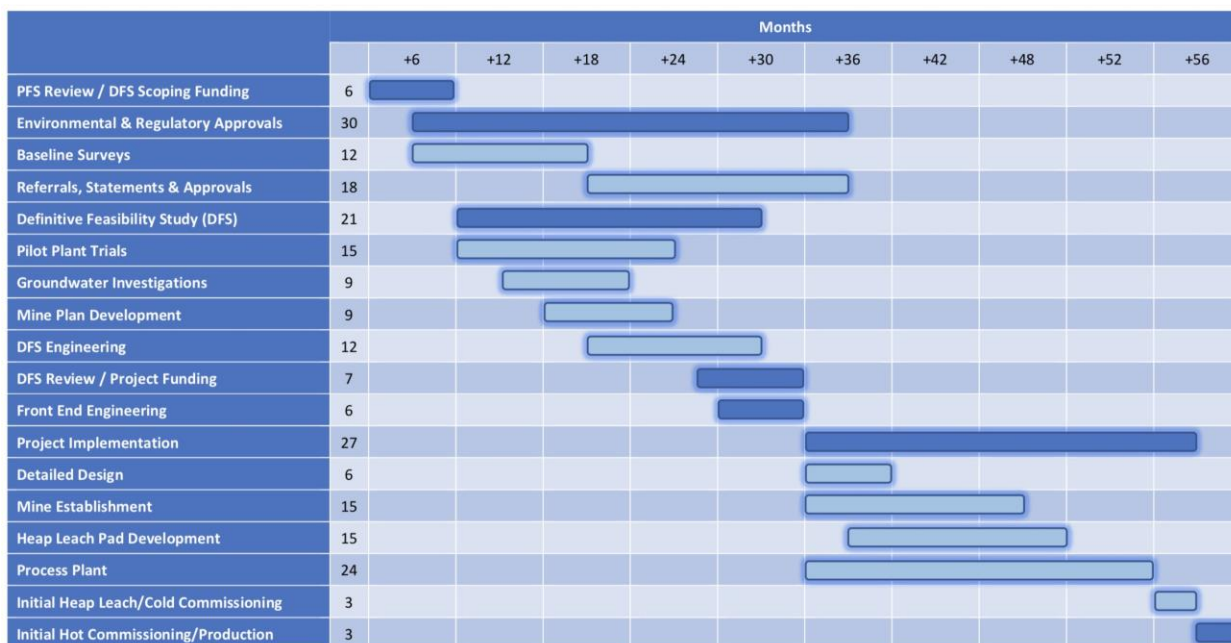
Next Steps

The Updated PFS outcomes have resulted in the GME Board seeking to proceed to a Definitive Feasibility Study (DFS) on NiWest. The scope and cost of works for a DFS is currently under development.

GME is also engaged in discussions with potential strategic partner/offtake parties as part of assessing the range of potential ownership, development and funding structures available to the NiWest Project.

Figure 9 outlines the indicative progression schedule for the NiWest Project following release of the Updated PFS.

Figure 9: Indicative Project Development Schedule



The forecast Project construction period is 24 months from Final Investment Decision (FID). The forecast commissioning and plant ramp-up phase extends for approximately 20 months from completion of Project construction.

NiWest Nickel-Cobalt Project – Updated Prefeasibility Study Outcomes July 2022

The information in this announcement that relates to the NiWest Nickel-Cobalt Project Updated Prefeasibility Study Outcomes 2022 and the 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 MWorxTDK Pty Ltd. Mr Readett is a Chartered Professional Metallurgical Engineer and has in excess of 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.

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.

Forward Looking Statement

This announcement contains statements related to our future business and financial performance and future events or developments involving GME Resources Limited (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.