

Devon Gold Mine

Progress Update



GME Resources Limited (“GME” or “the Company”) is pleased to provide an update on its mining operations commenced early this year at the Company’s 100% owned Devon Gold Mine (GME, ASX announcement, 17/02/2016).

Steady progress has been made over the past month. To date, approximately 70% of the total tonnes (i.e. Inclusive of waste & ore) have now been mined. Four batches of ore equating to 26,300 dry tonnes (40% of total ore) have been processed at Saracens Carosue Dam project.

Sale of gold ore from the first batch has been finalised and provisional assay results have been calculated for batch 2, both of which were processed in April 2016. Head grade assay results for batches 3 and 4 which were processed in May are pending. The gold price applicable to respective ore sales is determined by the monthly average price as set by the DMP mineral royalties division. The average gold price for the month of April was \$1620.46.

Tonnes Processed to date

Batch 1 – 5,832 dry tonnes averaging 4.14 g/t (April)

Batch 2 – 9,633 dry tonnes averaging 3.61 g/t (provisional result) (April)

Batch 3 – 6,244 dry tonnes – assays pending

Batch 4 – 4,591 dry tonnes – assays pending.

Mining over the next two weeks will focus on removing the western wall waste to the main pit floor which is at 22 metres below surface. Once this is completed, stripping ratios reduce significantly and allow the pit to be developed to its maximum depth of 45 metres.

A further 34,600 tonnes of high grade gold ore is planned to be mined over the next six weeks representing 60% of the total contained gold estimated within the final pit design.

Pleasingly, mining progress is timely and costs are running on estimate. Further updates will be provided as the development progresses.

A handwritten signature in black ink, appearing to read 'Jamie Sullivan'.

JAMIE SULLIVAN
MANAGING DIRECTOR
26 May 2016

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Devon Gold Mine – Main Pit looking south

Competent Person Statement *The information in this report that relates to Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by Mr Mark Gunther who is a member of The Australasian Institute of Geoscientists. Mr Gunther is a Principal Consultant with Eureka Geological Services. 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 announcement 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. GME has concluded that it has a reasonable basis for providing the forward looking statements included in this announcement.*

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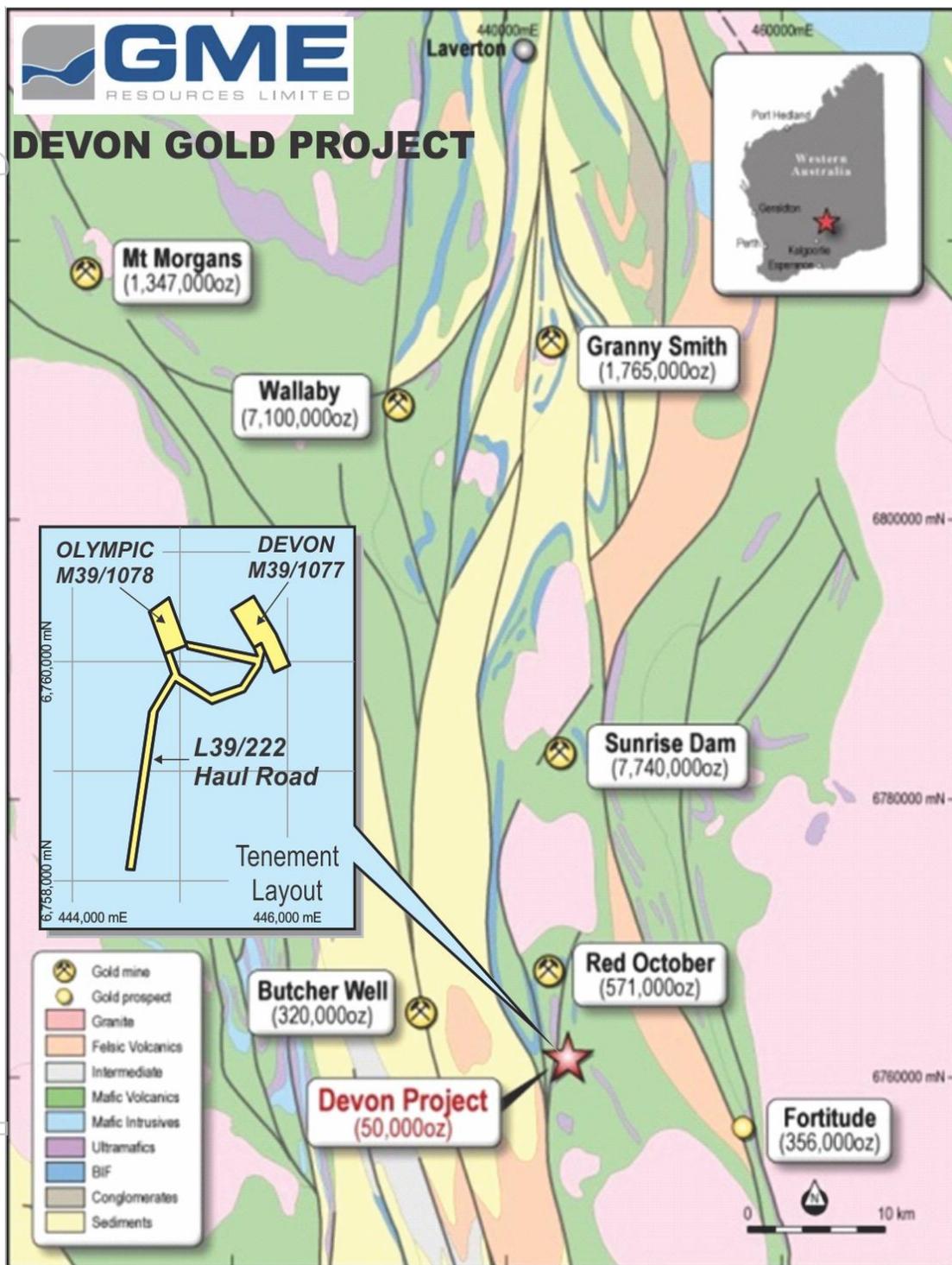


Figure 1 Devon Gold Project Location Plan

Figure 1