

## Chairman's Address

Good morning Ladies and Gentlemen,

Welcome to the 2018 Annual General Meeting for GME Resources Limited.

GME has made outstanding progress over the past year in delineating an attractive development pathway for its NiWest Nickel-Cobalt Project. The Pre-Feasibility Study (PFS) released on 2 August 2018 incorporates the results from the detailed metallurgical test work and engineering conducted on the NiWest Project over the past five years and confirms the robustness of a long life operation producing high grade nickel and cobalt products for the rapidly growing battery market.

The chosen processing route for the NiWest Project adopts commercially proven, lower-risk, lower-capital intensity heap leaching, coupled with highly efficient Direct Solvent Extraction. In October 2017, battery grade nickel sulphate was produced from continuous pilot scale test work on solutions from NiWest ore, giving great confidence in the process path. It is also noteworthy that successful heap leaching of similar ores has previously been undertaken, at a commercial scale, at the nearby Murrin Murrin Operations. The elevated technical and economic risks associated with High Pressure Acid Leaching and Atmospheric Leaching have been consciously avoided. The net result is forecast low-cost production of high-purity nickel and cobalt sulphates which are directly consumed by the lithium-ion battery market.

As part of the PFS we delivered a maiden NiWest Ore Reserve of 64.9Mt at 0.91% Ni and 0.06% Co containing 592kt of nickel and 38kt of cobalt. This initial Reserve is based solely on the Eucalyptus, Hepi and Mt Kilkenny deposits. A substantial opportunity exists to extend this through the potential conversion of Inferred Resources at these deposits and the inclusion of four other significant deposits with delineated resources.

At a nameplate processing capacity of 2.4Mtpa the Ore Reserve supports an initial operating life of approximately 27 years. Over this period the NiWest Project is expected to produce 456kt of nickel and over 31kt of cobalt. This production is forecast to be delivered at a net cash operating cost (post royalties and cobalt credits) of around US\$3.20/lb nickel. Average annual production over the first 15 years is estimated at 19.2kt nickel and 1.4kt cobalt.

Forecast pre-production capital expenditure of A\$966M represents a globally attractive pre-production capital intensity of sub-US\$20 per pound of average annual nickel production.

On the back of the PFS GME is now engaging with potential strategic partners and offtake parties for the NiWest Project. Alongside that we are conducting deeper end-market evolution analysis, assessing a range of additional value engineering opportunities and have commenced baseline environmental study work.

So as the owner of one of Australia's largest, highest grade undeveloped nickel and cobalt projects, GME has an exciting opportunity to build and unlock the significant value that lies in its 100% owned NiWest Nickel-Cobalt Project in Western Australia.

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On behalf of the Board, I would like to acknowledge Mr Len Jubber's efforts in managing the PFS. I would also like to thank our staff and consultants for their efforts during the year, as well as GME's shareholders for their ongoing support.



**PETER SULLIVAN**  
**CHAIRMAN**  
**28 NOVEMBER 2018**

*NiWest Nickel-Cobalt Project*

*Where GME refers to the results of the NiWest Pre- Feasibility Study, the revised NiWest Mineral Resource Estimate and the NiWest Ore Reserve Estimate, as disclosed in an ASX market release on 2 August 2018, it confirms that it is not aware of any new information or data that materially affects the information included in the relevant market release and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market release continue to apply and have not materially changed.”*