

GTI RESOURCES LTD

ABN 33 124 792 132

Prospectus

A fully underwritten offer of 15,000,000 shares at an issue price of 20 cents each to raise \$3,000,000

UNDERWRITER: KTM CAPITAL PTY LIMITED

IMPORTANT INFORMATION

This is an important document that you should read in its entirety.
If you do not understand it you should consult your professional advisers without delay.
The Shares offered by this Prospectus should be considered speculative.

IMPORTANT NOTICE

This Prospectus is dated 22 June 2007 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which the Prospectus relates. The expiry date of this Prospectus is at 5.00pm WST on that date which is 13 months after the date this Prospectus was lodged with the ASIC (**Expiry Date**). No shares may be issued on the basis of this Prospectus after the Expiry Date.

Application will be made to ASX within seven (7) days after the date of this Prospectus for Official Quotation of the Shares the subject of this Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Securities the subject of this Prospectus should be considered speculative.

WEB SITE – ELECTRONIC PROSPECTUS

A copy of this Prospectus can be downloaded from the website of the Company at www.gtiresources.com.au. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an application form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

URANIUM POLICY – WESTERN AUSTRALIA

Current Western Australian State Government policy prohibits the mining of Uranium in Western Australia on mining leases granted after June 2002. The Australian Labor Party State Government was re-elected on 26 February 2005 for another 4 year term and has publicly stated that this policy will remain in force during their term. Please refer to Section 10.2 for further details.

EXPOSURE PERIOD

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. Potential investors should be aware that this examination may result in the identification of deficiencies in the Prospectus and in those circumstances any application that has been received may need to be dealt with in accordance with Section 724 of the Corporations Act.

Applications for securities under this Prospectus will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on persons who lodge applications prior to the expiry of the Exposure Period.

TABLE OF CONTENTS

1.	CORPORATE DIRECTORY	2
2.	CHAIRMAN'S LETTER	3
3.	INVESTMENT OVERVIEW	5
4.	DETAILS OF THE OFFER	6
5.	COMPANY AND PROJECT OVERVIEW	8
6.	DIRECTORS AND CORPORATE GOVERNANCE	14
7.	INDEPENDENT GEOLOGIST'S REPORT	16
8.	INVESTIGATING ACCOUNTANT'S REPORT	51
9.	SOLICITORS' REPORT ON TENEMENTS	59
10.	RISK FACTORS	72
11.	MATERIAL CONTRACTS	75
12.	ADDITIONAL INFORMATION	79
13.	DIRECTORS' AUTHORISATION	83
14.	GLOSSARY	84

1. CORPORATE DIRECTORY

Directors

Murray McDonald
Executive Chairman

Greg Down
Executive Director

Ian Cowden
Non Executive Director

Company Secretary

Darren Crawte LLB (Hons), ACA

Website

www.gtiresources.com.au

ASX Code

GTR

Principal Place of Business

13 Colin Street
WEST PERTH WA 6005

Telephone: (08) 9215 0400
Facsimile: (08) 9321 3628
Email: info@gtiresources.com.au

Registered Office

Ord Group Pty Ltd
Level 2, 47 Colin Street
WEST PERTH WA 6005

Share Registry *

Advanced Share Registry Services
110 Stirling Highway
NEDLANDS WA 6009

Telephone: (08) 9389 8033
Facsimile: (08) 9389 7871

Solicitors to the Company

Steinepreis Paganin
Lawyers and Consultants
Level 4, Next Building
16 Milligan Street
PERTH WA 6000

Underwriter

KTM Capital Pty Limited
Level 2, 16 O'Connell Street
SYDNEY NSW 2000
Telephone (02) 9235 9940
Facsimile (02) 9235 9999

Investigating Accountant

Stanton Partners Corporate Pty Ltd
Level 1, 1 Havelock Street
WEST PERTH WA 6005
Telephone (08) 9481 3188
Facsimile (08) 9321 1204

Auditors

Stantons International Pty Ltd
Level 1, 1 Havelock Street
WEST PERTH WA 6005

Independent Geologist

B.H. McCrow & Associates
Post Office Box 546
DENMARK WA 6333
Telephone (08) 9848 3660
Facsimile (08) 9848 3376

* This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus.

2. CHAIRMAN'S LETTER

Dear Investor,

On behalf of the Board of Directors it gives me great pleasure to offer you the opportunity to become a shareholder of GTI Resources Ltd (GTI).

The purpose of the Offer is to raise \$3,000,000 by the issue of 15 million shares at \$0.20 per share.

GTI was incorporated on 5 April 2007. It has been successful in compiling a portfolio of strategic land holdings for uranium and gold exploration in Western Australia (please refer to the Independent Geologist's Report in Section 7 for full details).

In recent times we have seen a rapid increase in uranium and gold prices with global demand particularly for uranium spurred on by an energy hungry world intent on reducing carbon emissions. The resulting significant rise in demand for uranium oxide has reinvigorated exploration for this commodity.

To maximize the chances of success GTI has brought together an experienced Board and Management team with proven technical, operational and financial skills and hands on experience in the discovery, acquisition and exploration of mineral deposits.

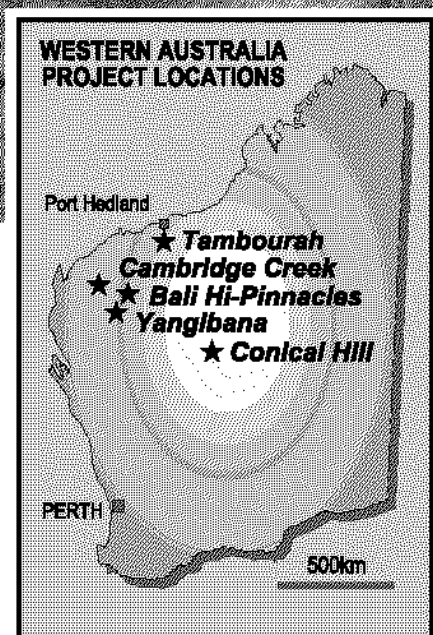
The Board will seek to increase Shareholder value through focused and effective exploration programmes and the pursuit of opportunities for acquisitions, joint ventures and investments in the resource sector.

This Prospectus contains detailed information about the Offer and the Company and discusses both the investment opportunity and the risks associated with investing in the resource sector. We recommend that you read the Prospectus in its entirety.

The team at GTI welcome you as a shareholder of GTI Resources Ltd.



Murray McDonald
EXECUTIVE CHAIRMAN
Friday 22nd June 2007



1. Project Location

3. INVESTMENT OVERVIEW

3.1 Important Notice

This section is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

3.2 Objectives

The strategic objective of the Company is to advance all shareholders interests through exploration and evaluation of the current portfolio asset base and acquisition of additional projects either in Australia or overseas.

The Company will commence the exploration and evaluation of projects shortly after listing on the Australian Securities Exchange.

The Company also intends to seek out further acquisitions and joint ventures that have the potential to underpin the Company's growth strategy.

3.3 Indicative Timetable

Lodgement of Prospectus with the ASIC	22 June 2007
Opening Date	22 June 2007
Closing Date	5.00pm WST on 11 July 2007
Despatch of Holding Statements	18 July 2007
Expected date for listing on ASX	27 July 2007

3.4 Purpose of the Offer and Use of Funds

It is intended to apply funds as follows (assuming the Offer is fully subscribed to raise \$3,000,000)

	Year 1	Year 2	Total
	\$	\$	\$
Pre-Offer cash			300,000
Total raised in the offer			3,000,000
Total Funds Available			3,300,000
Evaluation and exploration	764,500	1,095,500	1,860,000
Expenses of issue	365,010	-	365,010
Acquisition Costs	80,000		80,000
Administration Costs	402,495	402,495	804,990
Project Generation	50,000	50,000	100,000
Unallocated working capital	45,000	45,000	90,000
Total			3,300,000

The offer is fully underwritten so there is no minimum subscription for the Offer.

If oversubscriptions (of up to \$1,000,000) are accepted they will be applied towards exploration, acquisitions and unallocated working capital on a pro-rata basis.

Following completion of the Offer, the Company will have sufficient working capital to carry out its stated objectives.

3.5 Capital Structure

The capital structure of the Company following completion of the Offer is summarised below¹:

Shares	Number
Shares on issue at date of Prospectus	12,000,003
Shares to be issued to Vendors	3,000,000
Shares now offered	15,000,000
Total Shares on issue at completion of the Offer	<u>30,000,003</u>
Options	
Options on issue at date of Prospectus ²	9,000,000
Options being issued to the Underwriter ³	1,000,000
Total Options on issue at completion of the Offer	<u>10,000,000</u>

Notes:

- ¹ Refer to Investigating Accountant's Report for further information.
- ² 4,500,000 Options are exercisable for \$0.30 per option at any time prior to 5.00pm (WST) on 19 December 2009 and 4,500,000 Options are exercisable for \$0.40 per option at any time prior to 5.00pm (WST) on 19 December 2011. Please see Section 12.2 for more details.
- ³ The Options are exercisable for \$0.30 per Option any time prior to 5.00pm (WST) on 19 December 2009. Please see Section 12.2 for more details.

Restricted securities

Subject to the Company being admitted to the Official List, certain of the Shares and Options on issue prior to the Offer, are likely to be classified by ASX as restricted securities and will be required to be held in escrow.

4. DETAILS OF THE OFFER

4.1 The Offer

By this Prospectus, the Company offers for subscription 15 million Shares at \$0.20 each to raise \$3,000,000. The Shares offered under this Prospectus will rank equally with the existing Shares on issue.

4.2 Applications

Applications for Securities under the Offer must be made using the Application Form.

Payment for the Shares must be made in full at the issue price of \$0.20 per Share. Applications for Shares must be for a minimum of 10,000 Shares and thereafter in multiples of 1,000 Shares. Completed application forms and accompanying cheques must be mailed or delivered to:

GTI Resources Ltd
C/- Advanced Share Registry Services
110 Stirling Highway, Nedlands Western Australia 6009

Cheques should be made payable to "GTI Resources Ltd – Share Offer Account" and crossed "Not Negotiable". Completed application forms must reach the above address by no later than the Closing Date. The Company reserves the right to close the Offer early.

4.3 Oversubscriptions

The Company may accept oversubscriptions of up to a further \$1,000,000 through the issue of up to a further 5 million Shares at an issue price of \$0.20 each under the Offer. The maximum amount which may be raised under this Prospectus is therefore \$4,000,000.

4.4 Allotment

Subject to ASX granting approval for the Company to be admitted to the Official List, allotment of Shares offered

by this Prospectus will take place as soon as practicable after the Closing Date. Prior to allotment, all application monies shall be held by the Company on trust. The Company, irrespective of whether the allotment of Shares takes place, will retain any interest earned on the application monies.

The Directors reserve the right to allot Shares in full for any application or to allot any lesser number or to decline any application. Where the number of Shares allotted is less than the number applied for, or where no allotment is made, the surplus application monies will be returned by cheque to the applicant within seven (7) days of the allotment date.

4.5 Minimum Subscription

The offer is fully underwritten so there is no minimum subscription for the Offer.

4.6 ASX Listing

The Company will apply to ASX within seven (7) days after the date of this Prospectus for admission to the Official List and for Official Quotation of the Shares offered under this Prospectus. If ASX does not grant permission for Official Quotation of the Shares within three (3) months after the date of this Prospectus, or such longer period as is permitted by the Corporations Act, none of the Shares offered by this Prospectus will be allotted or issued. In that circumstance, all applications will be dealt with in accordance with the Corporations Act.

4.7 Applicants outside Australia

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify these Securities or otherwise permit a public offering of the Shares the subject of this Prospectus in any jurisdiction outside Australia.

It is the responsibility of applicants outside Australia to obtain all necessary approvals for the allotment and issue of the Shares pursuant to this Prospectus. The return of a completed application form will be taken by the Company to constitute a representation and warranty by the applicant that all relevant approvals have been obtained.

4.8 Underwriter

The Offer is fully underwritten by KTM Capital Pty Ltd (**Underwriter**). Please refer to Section 11 of this Prospectus for a summary of the terms and conditions of the Underwriting Agreement.

Pursuant to the Underwriting Agreement, the Underwriter is entitled to an underwriting fee payable by GTI of 6% of the amount raised by the issue of new Shares by GTI under the Offer.

The Underwriter is also entitled to the issue of 1,000,000 options in GTI exercisable at \$0.30 per share any time prior to 5.00pm (WST) on 19 December 2009. GTI will also pay any Goods & Services Tax payable in relation to any fees paid to the Underwriter.

In addition, the Company has agreed to reimburse the Underwriter for all expenses reasonably incurred by the Underwriter in relation to carrying out its obligations pursuant to the Underwriting Agreement.

4.9 CHESS

The Company will apply to participate in the Clearing House Electronic Subregister System (**CHESS**). CHESS is operated by ASX Settlement and Transfer Corporation Pty Ltd (**ASTC**), a wholly owned subsidiary of ASX, in accordance with the Listing Rules and the ASTC Settlement Rules.

Under CHESS, the Company will not issue certificates to investors. Instead, Shareholders will receive a statement of their holdings in the Company. If an investor is broker sponsored, ASTC will send a CHESS statement.

4.10 Risk Factors

Prospective investors in the Company should be aware that subscribing for securities the subject of this Prospectus involves a number of risks. These risks are set out in Section 10 of this Prospectus and investors are urged to consider those risks carefully (and if necessary, consult their professional adviser) before deciding whether to invest in the Company.

The risk factors set out in Section 10, and other general risks applicable to all investments in listed securities not specifically referred to, may in the future affect the value of the Shares. Accordingly, an investment in the Company should be considered speculative.

4.11 Privacy Statement

If you complete an application for Shares, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers; regulatory bodies, including the Australian Taxation Office; authorised securities brokers; print service providers; mail houses and the Share Registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the Share Registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASTC Settlement Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

5. COMPANY AND PROJECT OVERVIEW

GTI Resources Ltd is a newly formed exploration company with a strong focus on the discovery and mining of uranium and gold, commodities which are both currently experiencing strong worldwide price support.

GTI believes the demand for these minerals will continue and has put together a portfolio of projects with the objective of achieving exploration success as soon as possible. In addition, GTI will actively pursue new opportunities in the resource sector to accelerate the Company's progress towards production.

5.1 Background

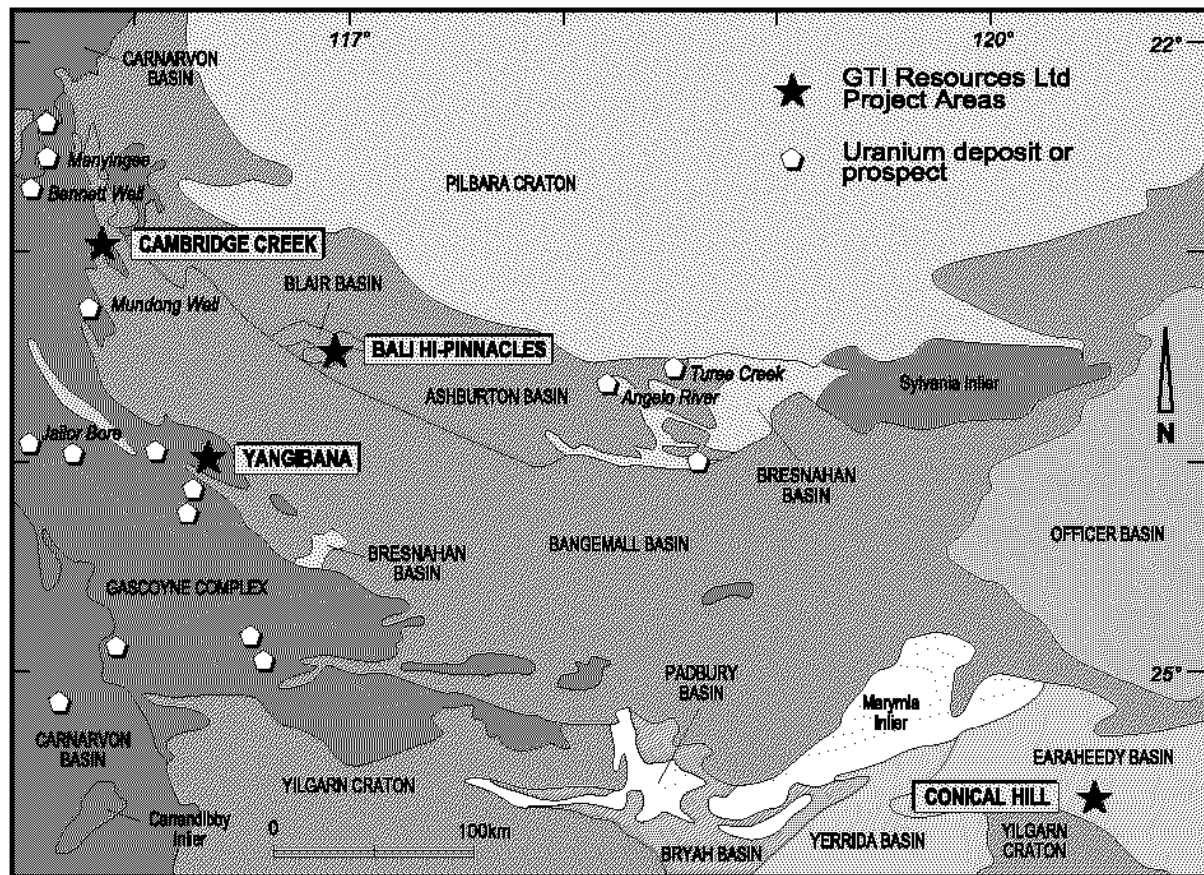
GTI was incorporated on 5 April 2007 for the purpose of acquiring uranium and gold mineral interests, initially in Western Australia. To maximise the probability of success, the Company has brought together an experienced Board and Management team with proven technical, operational and financial skills within the mineral industry.

The Board has a practical, can-do attitude with hands on experience in the exploration, discovery, and acquisition of mineral deposits. Its objective is to increase Shareholder value through focussed and effective exploration and the generation of further opportunities including acquisitions, joint ventures and investments in the resource sector.

Seed capital of \$300,000 was raised after incorporation of the Company to fund project acquisition and to assist with the costs of preparing this IPO.

This section of the Prospectus provides a summary of the Company's projects and planned exploration over the next two years. The Independent Geologist's Report, which follows in Section 7, gives a fuller description of the geology, previous exploration, prospectivity, exploration programmes and budgets for each of the projects and should be read in its entirety (definitions of technical terms and abbreviations are also contained in Section 7).

Details of project tenure are contained in the Solicitors' Report on Tenements in Section 9.



2. Capricorn Orogen Projects Simplified Geology

5.2 Details of the Projects and Work Programmes

GTI has made application for tenements in strategic sectors of the Capricorn Orogen of Western Australia, an area with demonstrated uranium mineralisation and potential for new discoveries (Figure 2). Additional tenements have been acquired in these project areas, and in the Eastern Pilbara, to expand the portfolio and add further targets and known mineralisation.

GTI's uranium projects at **Cambridge Creek**, **Yangibana**, **Bali Hi-Pinnacles** and **Conical Hill** are considered by the Directors to be prospective for uranium mineralisation and to have additional gold, rare earth element and base metal potential.

These uranium projects are located in regions which contain a range of known uranium mineralisation styles, including:

- Unconformity-related primary mineralisation
- Intrusive and vein primary mineralisation
- Palaeochannel calcrete hosted secondary mineralisation

The Capricorn Orogen is a 600 kilometre-long tectonic belt characterized by regional metamorphism and abundant plutonic intrusions. These intrusions include "hot" granitoids that have higher than average background uranium levels, and are potential source rocks for remobilised and secondary uranium deposits. From an exploration point of view, the presence of "hot" granites is a very important factor in determining the prospectivity of a region.

As detailed in the Independent Geologist's Report, the Capricorn Orogen not only has well demonstrated mineral potential for uranium and other valuable metals, but is considered to be significantly underexplored.

At GTI's **Tambourah** project in the Eastern Pilbara, historical high grade gold production from the local mining centre of 5,247 ounces at an average grade of 30g/t Au demonstrates the mineralisation potential of the area. GTI believes that the geological and structural setting is favourable for large gold deposits, and is untested for base metal deposits which occur elsewhere in the region.

Cambridge Creek Project

GTI's Cambridge Creek Project is located about 1,050 kilometres north of Perth and some 175 kilometres south-southeast of Exmouth. Two exploration licence applications cover approximately 190km² of high grade metasedimentary rocks, orthogneiss and varied granitoids of the Gascoyne Complex, within the Capricorn Orogen near its western margin. GTI has a 100% interest in both licences.

Uranium mineralisation known in the area includes:

- Intrusive pegmatite deposits
- Vein and shear-hosted primary pitchblende of hydrothermal emplacement, with possible unconformity-related mineralisation affinities

Both styles of mineralisation are known to form world-class uranium deposits although, as yet, no economic deposit has been discovered in the Cambridge Creek region.

Structural settings have been identified within GTI's tenements which are considered to have potential for primary hydrothermal deposits, either within substantial fracture systems or related to unconformities. The recorded presence of significant haematite accompanying uranium mineralisation in the district is considered favourable for the unconformity model of mineralisation. This type of deposit has contributed most of Australia's historic uranium production, and much of Canada's current production. Although there is at least 6 kilometres strike length of unconformity contact exposed within the Cambridge Creek project, near known uranium occurrences, there is no evidence of exploration along this target zone.

Previous exploration has defined a number of uranium prospects close to GTI's tenement boundaries, including Hooley Camp, Dulcie, Golan, Vein 4 and Glenflorrie. Grab sample values to 5.63% U₃O₈ and shallow percussion drill intercepts to 1,275ppm U₃O₈ over 3m downhole have been recorded from limited work at Hooley Camp (just outside GTI's ground).

In 2001, a major international company evaluated the vein-hosted pitchblende mineralisation at Hooley Camp as having potentially economic grades but being too small to meet their target criteria. The uranium price then was US\$8/lb compared to the current spot price of over US\$120/lb.

A number of radiometric anomalies have been detected within the Cambridge Creek prospect by wide spaced airborne reconnaissance surveying in 1973, but only brief ground follow-up of these has been reported. GTI will carry out detailed investigation of these targets as soon as possible after listing, and will acquire further geophysical survey data for delineation of additional targets.

Uranium and base metal veins at Mundong Well to the south occur in small shoots within the Wyloo Group, close to a major regional unconformity with overlying Bangemall Basin sandstones. This deposit also shows affinities with the unconformity-related style of mineralisation, and shows the regional distribution of significant uranium occurrences in the northern part of the Gascoyne Complex.

GTI has planned a systematic exploration programme at Cambridge Creek, and compilation of a comprehensive GIS digital database has commenced. This will incorporate all previous exploration and detailed mapping data in digital format, remote sensing Aster and Landsat TM imagery, and airborne geophysical radiometric and magnetic survey data.

Extensive field surveys are planned for ground validation and for exploration of known targets and additional anomalies derived from interpretation of the integrated dataset. Ground radiometric surveys, geological sampling and mapping will be undertaken as soon as tenure is granted, to prioritise new and existing targets for testing by RAB, RC and then diamond drilling as appropriate. Detailed airborne surveys may also be carried out, contingent on results of the preceding work.

Yangibana Project

GTI's Yangibana Project is located about 900km north of Perth and 270km northeast of Carnarvon, on Gifford Creek Station. Two granted exploration licences cover an area of some 63km² of Archaean granite and incorporated sediments, including extensive ironstone gossans, and recent drainages with mapped calcrete deposits. GTI has a 100% interest in both tenements.

Uranium in the region occurs in calcrete host rocks within drainage channels, similar to the Yeelirrie style of mineralisation, and in association with ironstone gossans, calc-silicate rocks and rare earth elements (REE). Other uranium occurrences have been noted within granite-hosted shear zones, south of the project area, and a recent airborne radiometric survey detected new areas of uranium anomalism interpreted to be calcrete-hosted.

Although previous exploration within Yangibana was focussed largely on base metal and REE targets, with analyses generally restricted to those metals, anomalous uranium values of up to 84ppm U₃O₈ have been reported from the Yangibana Gossan. Despite discovery of these significant uranium values, further exploration for uranium was not completed as previous explorers attributed radiometric anomalism to be largely due to thorium content.

Surface sampling of gossans has returned significant zinc and lead values up to 1% Zn and 3% Pb. Some anomalous base metal values have also been found by drilling beneath a number of gossans although no potentially economic intercepts have been recorded to date.

Shallow RC drilling of 10 REE prospects along 7km of strike from 1985 to 1991 was targeted on areas with prominent outcropping ironstone bands. Interpretation of aeromagnetic data suggests that these ironstone hosts may be more continuous than revealed at outcrop. A number of discrete mineralised zones were identified by the drilling, with grades up to 3.86% combined rare earth oxides over 3.5m estimated true width reported from the Hook prospect.

Despite the fact that anomalous uranium had been previously discovered at the Yangibana Gossan in association with ironstones and calc-silicate rocks, no uranium analyses are reported from the REE drilling. Uranium is frequently associated with REE mineralisation in a number of deposit types worldwide, but its potential at Yangibana remains untested. Should uranium have been preferentially leached from the outcropping gossans at surface, then primary mineralisation below the water table could be anticipated to contain higher uranium levels than at surface.

GTI's systematic exploration at Yangibana has commenced, with compilation of a comprehensive GIS database of geological, geophysical, geochemical and previous exploration data already underway. Detailed field validation of uranium and REE targets will start immediately after listing, with the objective of confirming priority drill targets as soon as possible. Follow-up work will involve RAB, RC and diamond drilling on existing and newly-generated targets. Calcrete deposits will also be targeted for possible secondary uranium concentrations.

Acquisition of Aster and Landsat TM remote sensing imagery will assist with the direct identification of anomalies as well as advancing structural interpretation. Existing aeromagnetic and radiometric survey data will be reviewed, and further detailed airborne surveys will be commissioned as required.

Bali Hi-Pinnacles Project

GTI's Bali Hi-Pinnacles project is located in the central Capricorn Orogen, 950km north of Perth and 80km southwest of Paraburdoo. GTI has a 90% interest in the Bali Hi granted exploration licence, and a 100% interest in two Pinnacles exploration licence applications.

The project covers approximately 147km² and contains two major Proterozoic sedimentary units, the Ashburton Formation and the Capricorn Formation. Contacts between these units are either unconformable or faulted. The Bali Shear is one such contact feature and hosts a number of primary uranium occurrences, and base metal deposits which have previously been mined on a small scale.

At Bali Hi-Pinnacles, GTI is targeting Proterozoic unconformity-related uranium deposits, which can form major high-grade hydrothermal orebodies such as those in the Alligator Rivers district in the Northern Territory and the Athabasca Basin in Canada. Other targets include surficial uranium deposits in calcrete, and base metal and gold deposits.

High grade copper was mined from a number of small pits within the Bali Hi tenement (E08/1372) up to 1963, and further prospects with significant copper, lead and zinc were subsequently discovered by exploration in the area. These are largely shear hosted, at or close to the Proterozoic unconformity.

It was not until 1972 that the first uranium exploration took place within the project area. Channel sampling across the face of the existing opencut at Bali Lo by Russgar Minerals NL returned 1.7% Cu and 100ppm U_3O_8 over a width of 5 metres. Surface sampling at Bali Hi gave 200ppm U_3O_8 over unknown widths, and anomalous uranium was also reported at Bali Hi East, Stockyard Creek and other occurrences 3km to the east.

Further small programmes of uranium exploration in 1977 and 1981 confirmed the widespread presence of anomalous uranium. At Bali Hi, 180ppm U_3O_8 was recorded over 100m strike length in one composite sample, within a 600m long strong radiometric anomaly coincident with the Bali Shear.

However, subsequent exploration at Bali Hi was almost entirely aimed at base metals. It was not until February this year that Globe Uranium Limited conducted further uranium exploration with a reconnaissance rock chip grab sampling program that returned results to 4,273ppm U_3O_8 , 24.8% Cu, 11.5% Pb+Zn and 357g/t Ag as detailed in Section 7.

The Pinnacles exploration licence applications lie along a structural strike southeast from Bali Hi, and are located between the known gold mineralised areas at Mortimer and Top Secret. No uranium exploration has been recorded from within the Pinnacles licence area, and only minor gold and base metal work is recorded.

GTI will target unconformity-style and calcrete hosted uranium deposits in the Pinnacles area, with a secondary objective of gold and base metal exploration. This part of the project area is traversed by significant drainages and these will be evaluated for areas of calcrete with potential for secondary uranium mineralisation.

The initial exploration priority at Bali Hi-Pinnacles is compilation of a comprehensive GIS database, which will include the high standard detailed mapping conducted by previous owners. Soon after listing, follow-up field visits will seek to validate key data and confirm the main uranium target areas.

Acquisition of remote sensing Aster and Landsat TM imagery will be used for direct identification of anomalies as well as assisting with structural interpretation. Existing aeromagnetic and radiometric survey data will also be acquired, and further more detailed airborne surveys will be carried out as required. Through this work GTI will also seek to delineate target areas for potential surficial uranium deposition (associated with calcrete development within extensive modern drainages).

Extensive field surveys will follow, for detailed structural mapping of target areas, surface geochemical sampling and radiometric programs. Prior to follow-up RC and diamond drilling programs on existing and newly generated targets, the overall access to the area will be improved by re-grading of 1980's exploration tracks.

Conical Hill Project

GTI's fourth uranium project in the Capricorn Orogen is located 850km northeast of Perth and 130km northeast of Wiluna. The Conical Hill project comprises two exploration licence applications of 121km², in which GTI has a 100% interest.

Regional uranium radiometric anomalies and elevated geochemistry occur in and adjacent to the project area, in calcrete and palaeochannel units along the southeast margin of the Earraheedy Basin. These hosts are considered prospective for shallow deposits of secondary uranium, similar to the major Yeelirrie deposit (35Mt at 0.15% U_3O_8) which lies southwest of Wiluna. Units of the Proterozoic Earraheedy Basin, considered to have potential for gold and base metal mineralisation, underlie the surficial layers being targeted for uranium.

Uranium exploration in the Conical Hill region started in 1972, shortly after discovery of the Yeelirrie deposit to the southwest of Wiluna. Reconnaissance airborne radiometric surveys of major calcrete deposits in the region identified the Fyfe Well anomaly, in an area of playa lakes and immediately south of GTI's current E69/2119.

Up to 225ppm U_3O_8 was recorded in surface samples and up to 1,000ppm U_3O_8 in shallow drillholes. Limited drilling in 1972 demonstrated widespread but patchy carnotite uranium mineralisation, but no further systematic exploration is known. The northern portion of the Fyfe Well anomaly extends into GTI's tenement, under cover of recent alluvium which masks the radiometric response.

A major geological structure, the Shoemaker meteorite impact crater, lies to the south of GTI's ground. A large demagnetised zone extends north and northeast from the impact area and overlaps with the Conical Hill project area. Recent evaluation by the Geological Survey of Western Australia has defined this area, including GTI's ground, as prospective for uranium, gold and base metals.

GTI's exploration of the Conical Hill area will commence with compilation and evaluation of previous exploration data and establishment of a comprehensive GIS database. Review of geophysical and geological datasets will be undertaken to better establish the extent and depth of regolith and prospective calcrete units.

Systematic field examination of established targets and uranium anomalies will commence once tenure has been granted, with emphasis on the northwards extension of the Fyfe Well uranium system. This will lead to planning of RAB and RC drilling programmes.

On E69/2400, Tertiary drainages east of the lake systems have a shallow windblown sand cover which masks radiometric anomalism from any underlying mineralised calcretes. Exploration in these zones will be supplemented by radon soil gas profiles, following orientation studies.

Tambourah Project

GTI's Tambourah gold project comprises 4 granted prospecting licences covering 7km², about 1,200km north-northeast from Perth and 85km southwest of the gold mining centre of Marble Bar. GTI has 90% interest in the tenements.

High grade gold production from the Tambourah Mining Centre, which includes GTI's project area, is 5,247 ounces at an average recovered grade of 30.0g/t Au prior to 1978. Most of the major producing mines at this time, including Western Chief and World's Fair, lay within the tenements.

As detailed more fully in Section 7, sporadic exploration since 1984 has returned significant gold intercepts mainly from narrow quartz veins or chert bands within Archaean greenstones of the Warrawoona Group, adjacent to granites of the Tambourah Dome. Targeting has been almost exclusively restricted to testing narrow old workings at shallow depths, along a 4km north-south strike extent within the project area.

The potential for larger gold mineralised systems, associated with major shears or thrusts along contacts adjacent to granite domes, has yet to be evaluated. In the Yilgarn Craton, major gold deposits such as Granny Smith near Laverton have developed in this type of geological and structural setting, and GTI will explore at Tambourah using a similar model to guide exploration.

Under this model, the old narrow vein workings could represent remobilised mineralisation indicative of a larger system. The mineralised cherts at Tambourah have been more recently interpreted as mylonites developed in shear zones, rather than sedimentary units, which strengthens the remobilisation model.

Regionally, the Warrawoona Group hosts the Panorama base metal deposits which are located further to the north of Tambourah. Recent rockchip results within the project area have included significant elevated copper, lead and silver values in one sample, suggesting possible base metal potential.

GTI has commenced compilation and review of known gold and base metal mineralisation of the West Shaw Greenstone Belt, to evaluate structural controls, location and timing of mineralisation and potential for significant base metal deposits. This is being undertaken in conjunction with a detailed GIS compilation and assessment of previous exploration results and historic mining data.

From this work, and field validation which will start soon after listing, GTI will plan a number of drilling programmes to test the resultant targets over the next two years.

5.3 Exploration Budget

GTI has planned and costed systematic exploration and development of its projects, as summarised below and presented in more detail in Section 7.

A total of \$1,860,000 has been allocated to exploration over 2 years, based on full subscription of the Offer to raise \$3,000,000. Over half of the funds to be raised have been allocated to exploration of granted tenure.

If oversubscriptions (of up to \$1,000,000) are accepted they will be applied towards exploration, acquisitions and to unallocated working capital on a pro-rata basis as described in Section 3.4.

Activity	Year 1 \$	Year 2 \$	Total \$
Drilling	369,500	595,000	964,500
GIS/Remote Sensing	85,000	-	85,000
Geophysics	58,500	77,500	136,000
Geology/Geochemistry	191,000	259,000	450,000
Field Costs/Admin	50,500	94,000	144,500
Scoping/Resource Studies	10,000	70,000	80,000
Total \$	764,500	1,095,500	1,860,000

Year	Cambridge Creek	Yangibana	Bali Hi - Pinnacles	Conical Hill	Tambourah	Total
Y1 \$	69,500	262,500	211,500	67,000	154,000	764,500
Y2 \$	76,000	296,500	367,500	83,500	272,000	1,095,500
Total \$	145,500	559,000	579,000	150,500	426,000	1,860,000

These budgets have been based on certain assumptions with respect to the method, timing and results of exploration and, by their nature, are subject to significant uncertainties. The actual programmes may vary according to results from each phase of exploration, timing of grant of tenure which is currently in application stage, and reallocation of funds to new projects which the Company may acquire after listing.

6. DIRECTORS AND CORPORATE GOVERNANCE

6.1 Directors

MURRAY MCDONALD

Executive Chairman

In 1995 Mr McDonald floated Legend Mining Limited and after 10 years as the managing director of that company, resigned to pursue other interests.

Mr McDonald has broad management and operating expertise ranging from the acquisition of large mining operations, joint venture negotiations, tenement acquisition, regulatory approvals to resource funding and implementation.

Mr McDonald is a Member of the Australasian Institute of Mining & Metallurgy, the Financial Services Institute of Australasia and is a Certified Practicing Accountant.

GREG DOWN

Executive Director

Mr Down commenced work in the exploration industry in 1983. He generated a number of exploration portfolios during the 1980's and 1990's, participating in activities ranging from tenement pegging and field work, through to procurement and negotiation of sale and joint venture agreements with major and junior mining and exploration companies.

Mr Down was a key participant in the discovery of the Yilgarn Star Gold Mine near Southern Cross in Western Australia (which has produced over one million ounces of gold).

He has a wide ranging business experience as an investor in listed and unlisted exploration and mining companies.

He was a founding shareholder and Executive Director of Liberty Gold NL, and more recently founder and Executive Director of Xmin Limited, which was purchased by Avalon Minerals Limited.

IAN COWDEN

Non-Executive Director

Mr Cowden is a professional geologist and has been involved in the exploration and mining sectors world wide for over 30 years. His experience ranges from project generation and management of exploration programmes through to discovery of ore bodies, with emphasis on feasibility studies and development to mining.

He has worked for major international mining companies and junior explorers including BP Minerals International Limited, Utah Development Company and Delta Gold NL. His specific operational experience has included gold, base metals, uranium and industrial minerals. Mr Cowden has served on the boards of a number of public listed companies, recently Liberty Gold NL and Legend Mining Limited, and is currently an Executive Director for Truscott Mining Corporation Limited.

Mr Cowden is a Fellow of the Australasian Institute of Mining & Metallurgy, a Certified Practicing Geologist and a Member of the Australian Institute of Geoscientists.

6.2 Corporate Governance

The Directors monitor the business affairs of the Company on behalf of Shareholders and have formally adopted a corporate governance policy which is designed to encourage Directors to focus their attention on accountability, risk management and ethical conduct.

The primary responsibility of the Board is to represent and advance shareholders interests and to protect the interests of stakeholders. To fulfil this role the Board is responsible for the overall corporate governance of the Company including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

The responsibilities of the Board include:

- protection and enhancement of shareholder value;
- formulation, review and approval of the objectives and strategic direction of the Company;
- monitoring the financial performance of the Company by reviewing and approving budgets and monitoring results;
- approving all significant business transactions including acquisitions, divestments and capital expenditure;
- ensuring the adequate internal control systems and procedures exist and that compliance with these systems and procedures is maintained;
- the identification of significant business risks and ensuring that such risks are adequately managed;
- the review of performance and remuneration of executive directors and key staff;
- the establishment and maintenance of appropriate ethical standards; and
- evaluating and, where appropriate adopting, with or without modification, the ASX Corporate Governance Council's Principals of Good Corporate Governance and Best Practice Recommendations.

The Company is presently considering the ASX Corporate Governance Council's Principals of Good Corporate Governance and Best Practice Recommendations to determine the appropriate system of control and accountability to best fit its business and operations commensurate with these guidelines.

The Company will seek to follow the Best Practice Recommendations where appropriate for its size and operations. In cases where the Company determines it would be inappropriate to follow the principle because of its circumstances, the Company will provide reasons for not doing so in its Annual Report.

7. INDEPENDENT GEOLOGIST'S REPORT

B. H. McCrow and Associates

(A.B.N. 67 854 461 610)

Consulting Geologists

PO Box 546
Denmark, WA 6333
Telephone 08 9848 3660
Fax 08 9848 3376
Email bhmc@inet.net.au

The Directors,
GTI Resources Ltd
PO Box 287
WEST PERTH WA 6872

Dear Sirs,

Reference: Independent Geologist's Report

B.H. McCrow and Associates (BMA) has been engaged by GTI Resources Ltd ("GTI") to prepare an Independent Geologist's Report (IGR) on GTI's mineral exploration properties located in Western Australia. This report is to be included in a Prospectus (Prospectus) to be lodged with the Australian and Securities Investments Commission (ASIC) on or about the 22 June 2007. The Prospectus will offer 15 million shares at \$0.20 each, with up to a further 5 million shares at the same price which may be accepted as oversubscriptions at the Directors' discretion.

BMA was involved in the preparation of the IGR for inclusion in the Prospectus and has not been involved in the preparation, authorization or issuance of any other part of the Prospectus.

The IGR has been prepared in accordance with the Valmin Code, which is binding upon members of the Australian Institute of Geoscientists and applies to reports prepared after 1 April 1998. The IGR does not provide an opinion on the value of the mineral assets of GTI.

The uranium, gold and base metal exploration projects of GTI are contained within 9 Exploration Licences in the Gascoyne Region of Western Australia and 4 Prospecting Leases in the East Pilbara Region. For the current status of these tenements BMA has relied upon information provided by GTI and has prepared the IGR on the assumption that access for exploration for all tenements will be retained. Details of the legal status of GTI's tenements have not been investigated and are considered elsewhere in the Prospectus. For the purpose of the IGR, it is assumed that all tenements and agreements are and will remain in good standing in the immediate future and that tenements are, or will be, wholly or partially beneficially owned by GTI. It should be noted that exploration programs proposed for ungranted ground may be amended once they have been granted, depending on results and priorities from other projects.

The contents of this IGR are based on reports and data made available by GTI and independent research undertaken at the web site of the Department of Industry and Resources, Geological Survey of Western Australia. In addition, reference has been made to publicly available information in monographs and other published reports. Documents and reports reviewed in the preparation of this IGR are cited in the Principal Sources of Information, which constitutes part of the IGR. GTI has warranted that full disclosure of all material information in its possession has been made and that to the best of its knowledge and understanding, such information is complete, accurate and true. No site visits have been made to any of GTI's projects and prospects for the purpose of preparing this IGR.

BMA has had no prior association with GTI and nor is any material or contingent interest likely to affect the conclusions of this IGR, which has been prepared in return for professional fees based upon agreed commercial rates. The payment of these fees is in no way contingent on the results of this report, nor on the outcome of the proposed Prospectus issue.

Investigations relating to present or future native title claims have not been undertaken and no reference has been sighted which indicates any such claims exist. Potential consequences of exploration and mining on rare and endangered flora and fauna have not been assessed.

BMA is a geological consultancy to the exploration industry and the IGR has been compiled by Mr. B.H. McCrow, B.Sc, a professional geologist with 40 years experience in the exploration for, and evaluation of, mineral deposits in Australia. Mr. McCrow is a member of the Australian Institute of Geoscientists with the appropriate relevant experience, qualifications and independence to be considered "expert" and "competent" under the relevant professional codes, including JORC 2004.

BMA has given consent in writing to the issue of the Prospectus accompanied by this IGR in the form and context in which it appears and has not withdrawn consent prior to its issue.

Yours faithfully,

B. H. McCrow and Associates

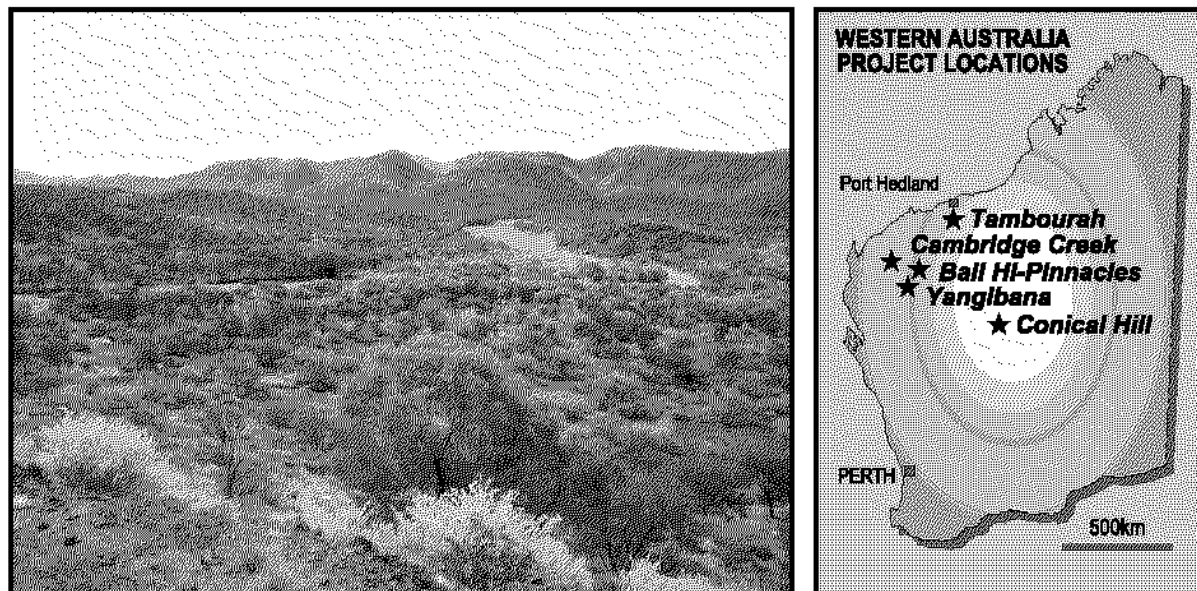


Brian McCrow B.Sc; MAIG
15th June 2007

Summary	19
1. OVERVIEW OF THE CAPRICORN OROGEN, WESTERN AUSTRALIA	
1.1 Introduction	20
1.2 Exploration History	21
1.3 Regional Geology	22
2. CAMBRIDGE CREEK PROJECT	
2.1 Introduction	23
2.2 Previous Exploration	23
2.3 Project Geology	26
2.4 Exploration Potential	26
2.5 Exploration Strategy and Budget	27
3. YANGIBANA PROJECT	
3.1 Introduction	28
3.2 Previous Exploration	28
3.3 Project Geology	29
3.4 Exploration Potential	30
3.5 Exploration Strategy and Budget	31
4. BALI HI-PINNACLES PROJECT	
4.1 Introduction	32
4.2 Previous Exploration	32
4.3 Project Geology	35
4.4 Exploration Potential	36
4.5 Exploration Strategy and Budget	36
5. CONICAL HILL PROJECT	
5.1 Introduction	37
5.2 Previous Exploration	37
5.3 Project Geology	39
5.4 Exploration Potential	39
5.5 Exploration Strategy and Budget	40
6. TAMBOURAH PROJECT	
6.1 Introduction	41
6.2 Previous Exploration	42
6.3 Project Geology	42
6.4 Exploration Potential	43
6.5 Exploration Strategy and Budget	44
7. LIST OF TECHNICAL ABBREVIATIONS	45
8 GLOSSARY OF TECHNICAL AND MINING TERMS	45
9. PRINCIPAL SOURCES OF INFORMATION	49

Summary

GTI Resources Ltd (GTI) has compiled a portfolio of five exploration projects located in Western Australia, four in the Gascoyne Province considered to be highly prospective for uranium with additional potential for gold and other metals, and one in the East Pilbara with known gold mineralisation (Figure 1).



1. Project Location Plan

The projects at Cambridge Creek, Yangibana, Bali Hi-Pinnacles and Conical Hill are located over Proterozoic lithologies in the Capricorn Orogen in northwest Western Australia and contain, or are proximal to, a number of different styles of known uranium mineralisation:

- Unconformity-related primary mineralisation.
- Intrusive and vein primary mineralisation.
- Palaeochannel calcrete hosted secondary mineralisation.

Although the uranium potential of the Capricorn Orogen was first recognised more than 40 years ago, almost no exploration for uranium has been carried out over the last 25-30 years. Further discoveries are anticipated from renewed exploration activity in the region.

The **Cambridge Creek** Project overlies the Gascoyne Complex of high grade metasedimentary rocks, orthogneiss and varied granitoids that form the western exposed margin of the Capricorn Orogen. Uranium mineralisation discovered to date in the area consists of two types:

- Intrusive pegmatite deposits.
- Vein and shear-hosted primary pitchblende with minor copper and lead, considered to be hydrothermal emplacement.

Major mining operations have been developed on deposits of these types at Rossing (Namibia) and Shinkolobwe (Democratic Republic of the Congo) respectively.

The **Yangibana** Project also overlies the Gascoyne Complex. The area is dominated by two granitic intrusives flanking a metasedimentary horizon containing a number of Rare Earth Elements (REEs) and uranium anomalies that have yet to be fully explored. Considering the expanding application of REEs in modern technology, the partially drilled anomalies present an immediate exploration target. Calcrete deposits in Tertiary to recent drainages remain essentially untested, although anomalous uranium concentrations in them have been documented over the years.

The **Bali Hi-Pinnacles** Project contains two Proterozoic sedimentary units, the Ashburton Formation and the Capricorn Formation. Contacts between them are either unconformable or faulted. The Bali Shear is one such contact feature within GTI's ground and hosts a number of primary uranium and base metal occurrences. Proterozoic unconformity-related deposits include some of the high grade large hydrothermal uranium deposits in the world including the Alligator Rivers region in the Northern Territory (Ranger, Nabarlek and Jabiluka) and the Athabasca Basin in Canada (Cigar Lake). Within Western Australia examples of this type of uranium mineralisation include Kintyre in the Paterson Orogen (Rudall Complex), and the Turee Creek area in the Ashburton Basin, southwest of Bali Hi-Pinnacles. Within the Bali Hi-Pinnacles project area, calcrete deposits within the drainages have potential for secondary uranium mineralisation and are valid additional exploration targets.

Regional uranium radiometric anomalies and elevated geochemistry levels in the **Conical Hill** Project area are associated with calcrete and palaeochannels that are considered prospective to host large tonnage near-surface deposits of secondary uranium similar to Yeelirrie (35Mt at 0.15% U₃O₈) southwest of the gold mining centre of Wiluna (Figure 2). The underlying lithologies are units of the Proterozoic Earaheedy Basin, which is considered to have potential for gold and base metal mineralisation.

As an overview of these uranium projects in the Capricorn Orogen, it can be said that historic exploration results, coupled with recent research into uranium mineralisation, establishes three important factors required for the formation of uranium deposits, as follows:

- A suitable source of uranium; e.g. proximity of high uranium background lithologies.
- A suitable mechanism for uranium transportation, e.g. shear zones or hydromorphic dispersion.
- Suitable sites for uranium deposition, e.g. unconformities and calcrete palaeochannels.

The **Tambourah** Project overlies Archaean greenstone lithologies in the eastern sector of the Pilbara Craton. Within the tenements are a number of historic high grade gold workings along a strike length of approximately 4km, proximal to a major granite contact, that have yet to be fully explored. Past production from the Tambourah Mining Centre totals 5,247 ounces of gold, at an average grade of almost one ounce of gold per tonne.

GTI's properties are considered by B. H. McCrow and Associates to represent quality 'Exploration Projects', which are inherently speculative by nature. None the less, all projects are in tectonic and geological settings with the potential to host significant uranium and gold and remain under-explored by modern exploration techniques and therefore warrant further examination. B. H. McCrow and Associates considers the Directors of GTI Resources Ltd to have the technical and managerial capability to effectively explore and manage the proposed exploration and budgets.

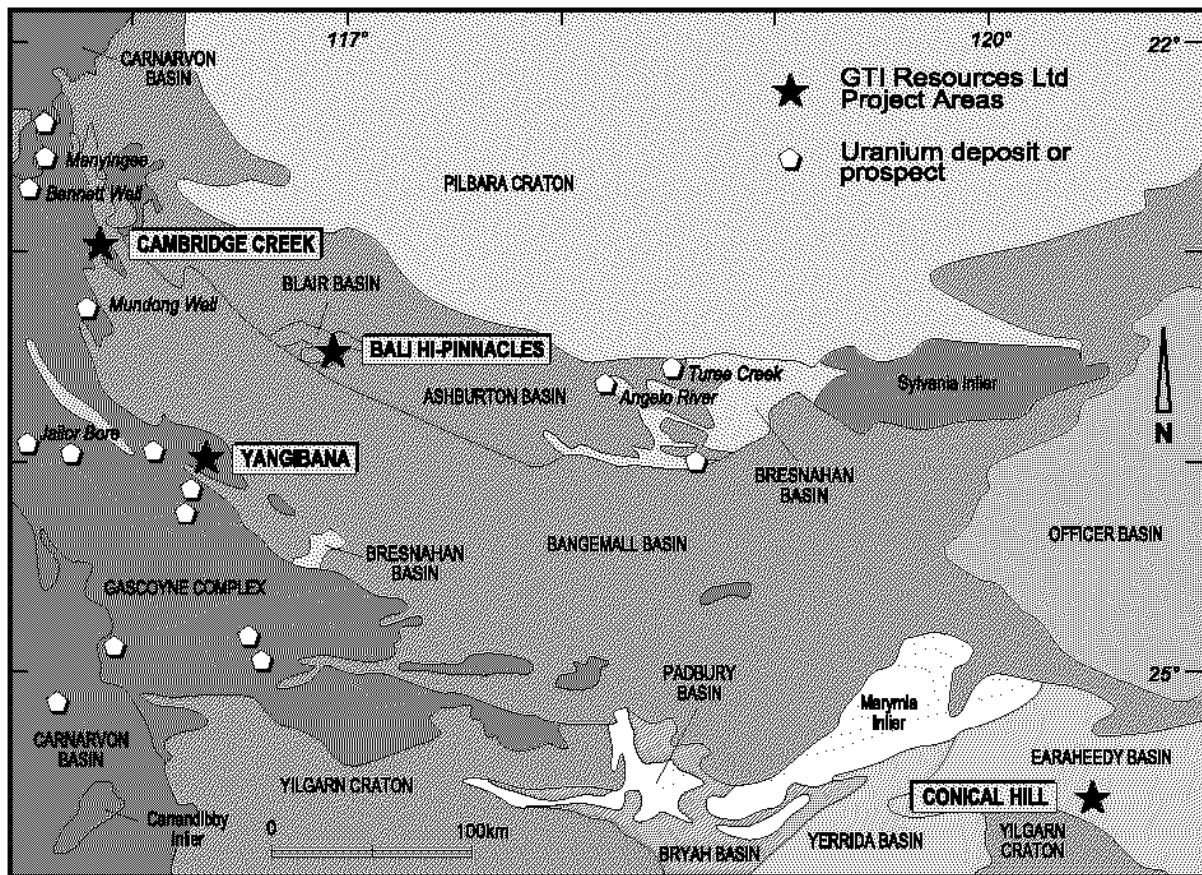
1. Overview of the Capricorn Orogen, Western Australia

1.1 Introduction

GTI Resources Ltd has acquired four exploration projects covering approximately 527 km² (175 sub-blocks) in the Ashburton-Gascoyne area (Figure 2) as follows:

- | | |
|---------------------|-------------------------------|
| • Cambridge Creek | E08/1561 (GTI Resources 100%) |
| | E08/1792 (GTI Resources 100%) |
| • Yangibana | E09/1043 (GTI Resources 100%) |
| | E09/1049 (GTI Resources 100%) |
| • Bali Hi-Pinnacles | E08/1372 (GTI Resources 90%) |
| | E08/1793 (GTI Resources 100%) |
| | E08/1798 (GTI Resources 100%) |
| • Conical Hill | E69/2119 (GTI Resources 100%) |
| | E69/2400 (GTI Resources 100%) |

Cambridge Creek, Yangibana and Bali Hi-Pinnacles exploration licences are located in a relatively remote area approximately 260km to 340km northeast of the coastal town of Carnarvon. General access into the areas is via the Northwest Highway from Carnarvon or Exmouth, and thence by station access roads and tracks or eastward



2. Capricorn Orogen Projects Simplified Geology

from the Ashburton Downs-Meekatharra gravel road. Alternative access to Bali Hi is from the iron ore mining town of Paraburdoo, 150km by road to the northeast.

The Conical Hill tenements lie further inland and are about 130km north-northeast of the gold mining centre of Wiluna which is accessed via the Goldfields Highway from Kalgoorlie.

The principal land use in all four project areas is marginal pastoral.

1.2 Exploration History

The Capricorn Orogen is some 600km long, and the more detailed exploration history presented below is pertinent to GTI's project areas.

In general terms there have been a number of phases of exploration across this large expanse of prospective Proterozoic lithologies as follows:

- Firstly, gold prospecting and mining pre-1900 by individuals and small syndicates which also led to some base metal mining.
- Exploration during the 1960's by large, mostly overseas companies, focused on base metals such as copper, lead and zinc. Gold exploration in this period was of minimal interest due to the low prevailing gold price.
- The exploration emphasis moved to uranium in the 1970's with sporadic surveys completed in the region, often by specialist companies.
- With the advent of Australia's 1983 "Three Mine Policy" for uranium mining, uranium exploration throughout Australia was brought to a halt. However, a change in the fiscal status of gold brought about a subsequent gold exploration boom. Accompanying the gold boom was the continued search for base metal deposits.
- The recent upsurge in the world uranium price and the change for most of the Australian political spectrum to favour uranium mining, known areas of uranium mineralisation are now being re-examined.

The northern part of the Capricorn Orogen was proclaimed as the Ashburton Goldfield in 1890 with five principal gold mining centres. Gold was recovered from alluvial deposits and high grade narrow quartz veins, and base metals were mined, including copper at Ball Hi. While none of the deposits discovered at this time were large, they did establish the mineralisation potential of the region.

Between 1963 and 1972, companies including Broken Hill Proprietary Co. Ltd, Ashburton Exploration Pty Ltd, Westfield Minerals N.L., Barrack Exploration Pty Ltd and Pickands Mather and Company International conducted exploration for base metals, primarily copper, lead and zinc.

In 1972, cupriferous veins containing uranium mineralisation (pitchblende and kasolite) were discovered at Mundong Well (Figure 2). The uranium is associated with copper, lead and zinc in siliceous tension veins within shear zones in the Palaeoproterozoic Wyloo Group. As there was a close spatial association with late-stage granites and pegmatites it was presumed that these were the source of the mineralisation, as pegmatite hosted uranium minerals were noted in a number of other occurrences in the northern and central parts of the Gascoyne Complex.

From 1972 to 1983, sporadic exploration for uranium was undertaken by Esso Australia Limited, Russgar Minerals N.L., Afmeco Pty Ltd and Uranerz Australia Pty Ltd. No exploitable deposits were discovered and uranium exploration waned due to the then Labor Government's adoption of the "Three Mine Policy" in 1983. Although this was abolished in 1996, uranium exploration did not recommence due to prevailing very low worldwide uranium prices.

With a substantial increase in the price of gold in the early 1980's, there was renewed exploration for gold and base metals by many companies including Resolute Resources Ltd, RGC Exploration Pty Ltd, BHP Minerals, Pasminco Exploration and Ashburton Gold Mines. In addition, Stockdale Prospecting Ltd completed detailed diamond exploration in a few selected areas. This work did not include any investigations for uranium mineralisation.

In more recent times, the increased intensity of gold exploration within the Ashburton region has resulted in some significant successes as follows:

- Mt. Clement gold deposit, initially explored by BHP and Newmont, has been classified as a stratiform, syngenetic Au-Ag hot spring deposit. Both geologically and structurally, Mt Clement has some similarities to the giant Telfer deposit situated in the Proterozoic Paterson Province. In 1998, Taipan Resources NL (Taipan) reported Inferred Resources at Mt. Clement of 818,000 tonnes @ 2.7g/t Au and 30g/t Ag, for 71,000oz of contained gold and 790,000oz of silver.
- Paulsen's gold deposit where the results of the August 2004 study by NuStar Mining Corporation identified an Indicated Resource of 1.223Mt @ 12.2g/t Au and an Inferred Resource of 0.216Mt @ 8.7g/t Au. Taipan's work on structural controls on mineralisation resulted in a twenty fold increase in resources over an 18 month period, from 50,000oz in June 1997 to 940,000oz in a combined Indicated and Inferred Resource (3.62Mt @ 8.1g/t Au) in November 1998.
- Mt. Olympus gold deposit, initially identified in the early 1980's by BP Minerals. In October 1996, Sipa Resources International NL (Sipa) announced drill intercepts that included 77m @ 5.0g/t Au, 59m @ 3.8g/t Au, 30m @ 6.7g/t Au and 10m @ 13.7g/t Au. Sipa reported oxide resource figures for the Mt Olympus Lode and the West Olympus Lode totalling a combined Indicated and Inferred Resource of 1.94Mt @ 3.2g/t Au for a contained 200,000oz gold and a recoverable 175,000oz of gold. Further gold mineralisation was reported within the sulphide zone beneath the oxide-transition reserves. The Mt Olympus deposit may represent replacement style gold mineralisation occurring preferably within calcareous beds, possibly of the Carlin-type or Bau-type (i.e., a large tonnage, disseminated gold deposit).

1.3 Regional Geology

The 1830-1780Ma west-northwest trending Capricorn Orogen has long been regarded as recording the collision of the Archaean Pilbara Craton (to the north) and Yilgarn Craton (to the south), though there has been some

conjecture recently about this interpretation. It is a tectonic belt characterized by regional metamorphism and abundant plutonic intrusions. In a simplified form it can be said to consist of the Gascoyne Complex, the major Ashburton, Bangemall, Yerrida and Earahedy Basins and the smaller Mount Minnie and Blair Basins.

Broadly, the belt experienced a number of tectonic pulses and granitic intrusions. Among the intrusions are granitoids that are colloquially regarded as "hot" or having higher than average background uranium levels. These are considered to be potential source rocks for remobilised and secondary uranium deposits.

The Palaeoproterozoic Gascoyne Complex is separated from the Yilgarn Craton to the south by the Erabiddy Shear Zone, which consists of several fault-bounded tectonic units. The southern sector of the Gascoyne Complex comprises Glenburgh Terrane gneisses, metasediments and granitic intrusions. North of the Glenburgh Terrane the remainder of the Gascoyne Complex commonly consists of granite plutons, sheets and dykes, granitic gneiss and metasediments. To the northwest, the Complex is unconformably overlain by the Edmund Basin (part of the Bangemall Basin) and the Ashburton Basin (or Fold Belt).

Within the Gascoyne Complex, uraninite-bearing pegmatites occur in the Palaeoproterozoic Morrissey Metamorphic Suite, which is widely migmatized. Intrusive pegmatites form extensive belts throughout the Morrissey Metamorphics and closely resemble the host rocks at the world class Rossing uranium deposit in Namibia. In addition, base-metal vein deposits containing uranium at Mundong Well occur as small shoots formed on slight bends in faults cutting migmatite, gneiss and schist of the Palaeoproterozoic Wyloo Group. The principal uranium mineral is kasolite, which is associated with copper-lead-zinc minerals as well as magnetite. The uraniferous veins are close to a major regional unconformity, where the Wyloo Group is overlain by Mesoproterozoic sandstone of the Bangemall Basin.

The Ashburton Basin is an arcuate regional feature over 500 km in length and is bounded to the north and east by shelf environment sediments of the lower part of the Wyloo Group and the Mt. Bruce Supergroup. Regionally, rocks of the Ashburton Basin are unconformably overlain by the Bresnahan Group to the east and by the Bangemall Group to the south. Uranium mineralisation is present at Turee Creek and Angelo River, along the boundary between the Ashburton and Bresnahan Basins, where Palaeoproterozoic metasediments of the Wyloo Group form a trough along the south-western margin of the Hamersley Basin. The Wyloo Group sediments are unconformably overlain by a thick sequence of unmetamorphosed arenitic clastics of the Mesoproterozoic Bresnahan Group.

The Cambridge Creek, Yangibana and Bali Hi-Pinnacles projects are all situated in the western sector of the Orogen, with Cambridge Creek and Yangibana overlying the Gascoyne Complex and Bali Hi-Pinnacles overlying the Ashburton Basin (Figure 2). The Conical Hill project is located in the south-southeastern sector the orogenic belt and is contained within the Palaeoproterozoic Earahedy Basin on the northern flank of the Yilgarn Craton.

2. Cambridge Creek Project

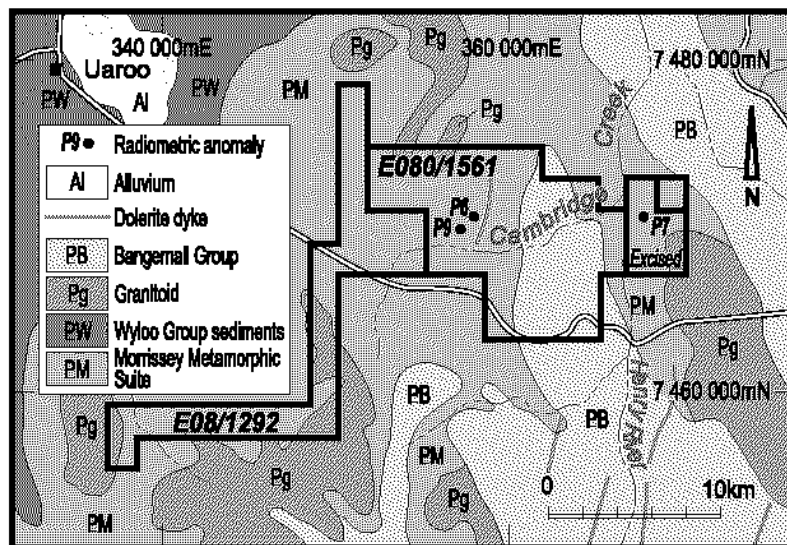
2.1 Introduction

GTI has a 100% interest in E08/1561 and E08/1792, which together cover an area of approximately 190km² or 66 sub-blocks.

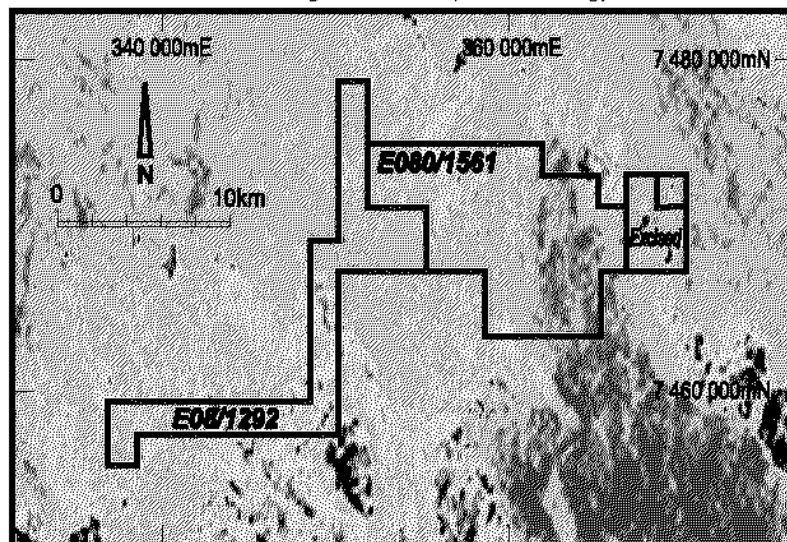
Cambridge Creek is located 300km north northeast of Carnarvon on Glenflorrie Station, in the Ashburton Region of Western Australia. Access to the area is northwards along the western side of the Henry River from the main Glenflorrie-Uaroo road river crossing.

2.2 Previous Exploration

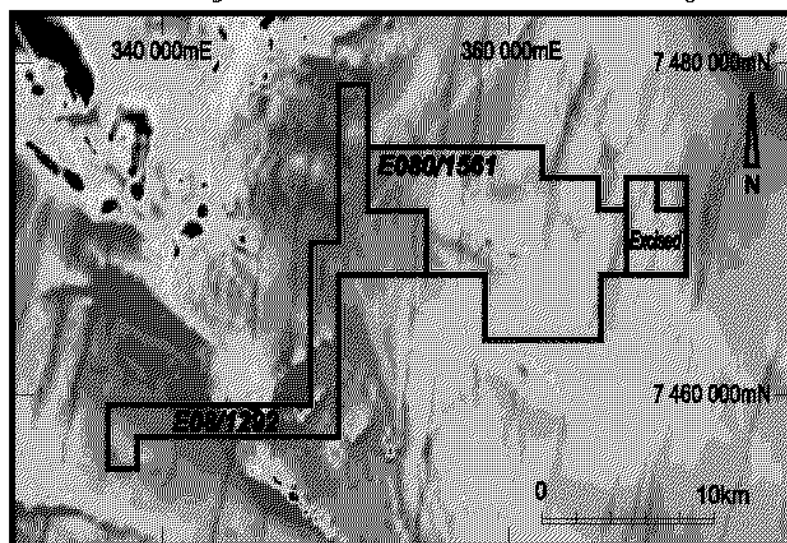
Modern exploration is recorded as having commenced with Broken Hill Proprietary Co. Ltd's (BHP) work on Temporary Reserve 5671H in 1973. BHP completed an air-photo interpretation, and flew 300 line-kilometres of combined magnetic and radiometric survey along 1km spaced flight lines at a height of 130m. The results of this reconnaissance survey highlighted 6 main total count radiometric anomalies, two of which (P6 and P9) are within GTI's current E08/1561 (Figures 3, 4 and 5). All the anomalies were visited and radiometric responses measured with a hand-held scintillometer. Samples from high counting outcrop areas were collected, resulting in the pegging



3. Cambridge Creek Simplified Geology



4. Cambridge Creek Uranium Channel Radiometric Image



5. Cambridge Creek Aeromagnetic Image

of mineral claims over the mineralised outcrop area known as Hooley Camp (Anomaly P7) just to the east of E08/1561. The anomalies are located on the east and west flanks of the unconformable contact between the Gascoyne Complex and the overlying Edmund Group of the Bangemall Basin.

Analytical results for the initial five grab samples (GD74-76, LH20-21) at P7 returned results ranging from 300ppm to 2,500ppm U_3O_8 (average 1,400ppm). A further 4 grab samples (HCS592-HCS595) returned values of 1,600ppm, 2,400ppm, 1,800ppm, and 56,300ppm U_3O_8 respectively. Discontinuous anomalous zones were subsequently mapped over a strike length of 850m and widths of up to 3m. These comprised gossanous haematitic quartz veins containing visible carnotite, torbernite, barite and copper minerals in a shear zone within schist bedrock.

Nine shallow angled percussion drill holes were completed to test the down dip extension of the linear surface anomaly zone, for a total of 515m. Six holes tested the main zone, with three more testing anomalies further south. The best recorded values were 1,265ppm U_3O_8 with 7,300ppm Cu over 3.0m from about 40m in HDH2. Uranium mineralisation ($\leq 1,000$ ppm U_3O_8) was evident at depth in most holes confirming that primary mineralisation extends below the observed water table.

In 1973, Onslow Minerals Pty Ltd (Onslow) conducted a scintillometer survey and geological mapping with rock chip sampling over their Glenflorrie copper/uranium prospect, southeast of E08/1561. Mineralisation was identified in a siliceous black gossanous lode, within a tension fracture in a high background uranium granite. The lode was described as semi-continuous over 1.2km and from 0.3m to 5.0m in width. Channel sampling was conducted across the lode with the highest assay recorded as 3,300ppm U_3O_8 . The remainder of samples ranged between 90ppm and 100ppm U_3O_8 , with copper varying from 0.2% to 5.1% Cu.

In 1978, Vultan Minerals Limited (Vultan) carried out a short drilling program at the Glenflorrie prospect previously identified by Onslow. Vultan completed five diamond drill holes (totalling 154.6m) and two percussion holes (totalling 34.0m) to test the surface mineralisation at shallow depth. Drilling intersected cherty quartz and pyrite infilling a steeply southwest dipping brecciated fissure zone, with minor chalcopyrite and galena and rare barite. The mineralised vein structure intersection widths were similar to those measured at surface. Best values reported were 289ppm U_3O_8 , 1.34% Cu and 3.7g/t Ag over a true width of 2.83m, from 10m to 14m down hole.

Between 1973 and 1977, Afmeco Pty Ltd (Afmeco) explored the area, including the Golan (close to Anomaly P7) and Dulcie prospects east of E08/1561. Initial activities included an airborne radiometric survey followed by surface radiometric and magnetic surveys over the Golan and Dulcie prospects, and detailed photogeological studies. Mapping and sampling identified vein anomalies in the Golan Vein 4 area of the Golan prospect, which were tightly controlled by fractures and along which occurred minor gossanous quartz fillings. Patchy but strong surface mineralisation of kasolite with minor uranophane and renardite was reported, containing up to 10.7% U_3O_8 . Two diamond drill holes totalling 285.82m were drilled to examine Vein 4 anomalies. Radiometric drill hole logs with spot sample analysis indicated up to 650ppm U_3O_8 . Pitchblende was identified as the main radioactive mineral present, commonly accompanied by magnetite. Subsequent drill holes also intersected uranium mineralisation in tight fracture systems, with the highest assay of 6,700ppm U_3O_8 . This occurred as a 10cm zone within a 1m intercept that averaged 3,400ppm U_3O_8 , in DDHGOL4. The mineralisation was thought to be hydrothermally derived from differentiation of felsic magma.

A parallel vein anomaly (Vein 7) was tested by diamond drill hole DDHGOL3. Mineralisation was controlled by similar trending fractures, more open than in Vein 4 and again pitchblende was associated with magnetite. Core sample analyses from 78.5m to 79.5m and 84.0m to 85.0m returned anomalous values of U_3O_8 at 5,300ppm, 4,700ppm, 3,350ppm, 1,650ppm, 1,450ppm and 980ppm over various limited intervals.

Another Afmeco diamond drill hole was located on a fracture zone at the Dulcie prospect, with radioactivity logging showing two weak anomalies. These anomalies were attributed to uranium remobilisation and secondary ground water deposition in fractures.

In 1998, Cooper and others noted widespread calcrete-hosted uranium occurrences in a belt along the south-west contact of the Bangemall Basin with the older Gascoyne Complex rocks. The source of uranium in the calcrete

deposits was attributed to the basement rocks. The calcrete deposits are developed both over the Gascoyne Complex and over the lower part of the Bangemall Group, in close proximity to the unconformity with the Gascoyne Complex.

In 2000-2001 Rio Tinto Exploration Pty Ltd (Rio) reassessed the effectiveness of the previous drilling. Rio concluded that the main outcropping zones had been drilled and sampled at shallow depth and that the drilling had adequately characterised and explored the extent of exposed mineralisation. It was further concluded that though the vein-hosted pitchblende uranium mineralisation at the Hooley Camp prospect attained economic grade, the overall tonnage appeared quite small and discontinuous. Rio undertook no further exploration on the prospect.

Rio then spent some time exploring for mineralising structures in the nearby Bangemall Group sediments, which consist of a basal conglomerate and overlying marine and channel fill dolomite/sandy dolomite. Only circumstantial evidence in the form of northwest to north-northwest trending quartz veins could be located and these revealed no evidence of surface radioactivity.

Pegasus Metals Limited (Pegasus) announced in May 2007 the results of their new radiometric and magnetic surveys for their Western Australian uranium projects including the Hooley tenement, adjoining Cambridge Creek to the east and partly overlapping E08/1561. At Hooley the radiometric data confirmed the general location of uranium prospects identified by regional radiometric surveys and previous exploration. Peak equivalent uranium values of 26ppm eU (which convert to 30ppm eU_3O_8) were recorded over the Golan Prospect where 1974-76 exploration identified structurally-controlled pitchblende-bearing quartz sulphide veins assaying up to 10.7% U_3O_8 at surface as well as a drill intercept of 3m @ 1,265ppm U_3O_8 .

Pegasus further added that interpretation of the magnetic data from the new survey would focus on identifying zones of structural dilation within the metamorphic and granitoid rocks to target a larger system of potentially high-grade, hydrothermal uranium-copper mineralisation that may not necessarily have a prominent surface radiometric response.

2.3 Project Geology

The two tenements lie within the northwestern sector of the Capricorn Orogen in the Gascoyne Complex. E08/1561 straddles part of the juncture between the Edmund Basin and the Gascoyne Complex (Figure 3) in a region that has been intruded by voluminous granitoids, and extensively deformed and metamorphosed over a period of several hundred million years (Occhipinti et al 2003, Martin et al 2005).

Locally, the Palaeoproterozoic Gascoyne Complex consists of metamorphosed sedimentary and igneous rocks and numerous granitic intrusions (Martin et al 2005). The Mesoproterozoic Edmund Group, lying unconformably over the Gascoyne Complex, consists of carbonate and siliciclastic shelf to basinal facies, deposited in an intracratonic basin formed during extension and subsidence of the Capricorn Orogen. The dominant rock types within the Cambridge Creek project area include sandstones and siltstones of the Edmund Group, and schistose sedimentary rocks, migmatite, granite and pegmatite of the Gascoyne Complex.

The Hooley Camp uranium prospect (immediately east of Cambridge Creek) is situated in schists close to the unconformity between the two terranes. Two fabrics overprint an early granite intrusion (Boolaloo Granodiorite) but are in turn overprinted by thermal effects of a late-stage, tourmaline (boron) rich granite. The uranium and base metal mineralisation was considered to be closely related to the second granite intrusion and associated pegmatite dykes. The granite itself contains significant uranium anomalies and pegmatites which intrude into the mineralised fractures.

The known mineralisation at Hooley Camp is generally less than 2m in thickness but is traceable discontinuously for up to 700m along a single fracture zone. Magnetite-haematite-chlorite alteration is associated with the uranium-copper-lead mineralisation, within an envelope of silica-chlorite alteration and quartz veining.

2.4 Exploration Potential

Results from exploration to date, for uranium, gold and base metals, clearly indicate the mineral potential of the region. Although previous explorers did not define an economic deposit, they were constrained by a much lower

uranium price and the area is considered to be significantly under-explored.

The limited historical drilling completed just east of GTI's current tenements appears to have been based on a concept of planar uniform mineralisation, without allowing for structural complexity. This previous work was restricted by the small size of the drilling rigs available and resultant limited penetration. However, despite these limitations, primary uranium mineralisation was intersected below the water table.

It would appear from the available records that, following identification of Anomaly P7, the exploration focus moved to that area. The adjoining ground, now held by GTI, was by no means systematically explored although anomalies P6, 7 and 9 are all located over elevated radiometric responses. Many kilometres of unconformity contact remain untested within GTI's project area.

A number of structural settings have been identified within the tenement with potential to host primary hydrothermal deposits, either within substantial fracture systems or proximal to unconformities. The recorded presence of significant haematite accompanying uranium mineralisation is considered favourable for the unconformity model of mineralisation.

Following collation of some high quality geotechnical data into digital format a renewed exploration effort is warranted with the BHP radiometric anomalies P6 and 9 as a starting point.

2.5 Exploration Strategy and Budget

Most of the exploration data from the 1970s through to the present, including the detailed mapping, will be captured into digital format and this preliminary work is of high priority. Following completion, field visits are planned to validate the key data and ensure that all plans are correctly captured in GDA 94 datum.

Acquisition of remote sensing Aster and Landsat TM imagery will assist with the direct identification of anomalies as well as assisting with structural interpretation. Existing aeromagnetic and radiometric survey data will also be acquired, and further more detailed airborne surveys will be carried out as required.

Following the above, extensive field surveys will be planned to conduct surface geochemical sampling and ground radiometric programs. Follow-up work would include RAB, RC and diamond drilling on existing and newly generated targets.

Table 1. Proposed Expenditure within Cambridge Creek Project Area

Year 1	\$
Database establishment and compilation of previous exploration data	6,500
Aeromagnetic and radiometric surveys and interpretation	5,500
Remote sensing (Aster, Landsat)	2,500
Geochemical sampling	7,000
Rotary air blast drilling	12,500
Reverse circulation drilling	24,000
Geological salaries and consultancy	9,000
Field costs and administration	2,500
TOTAL	69,500
Year 2	
Geophysical surveys and interpretation	7,500
Geochemical sampling	5,000
Rotary air blast drilling	15,000
Reverse circulation drilling	20,000
Scoping, resource and geotechnical studies	4,500
Geological salaries and consultancy	17,500
Field costs and administration	6,500
TOTAL	76,000

GTI Resources has prepared a two year exploration program and budget for the Cambridge Creek Project, consistent with the established potential of the project area.

The exploration program for Year 2 will depend upon the results of the Year 1 program. Exploration emphasis may be revised or varied in accordance with ongoing results.

Proposed exploration expenditure on the Cambridge Creek Project is estimated to be \$145,500 over a two year period and is considered adequate to cover the cost of the proposed programs. If more than the minimum amount of \$3.0 million is raised, this exploration budget will be increased pro-rata.

It should be further noted that these figures reflect the current ungranted status rather than perceived prospectivity and may be subject to increase dependant on timing of access becoming available.

3. Yangibana Project, Western Australia

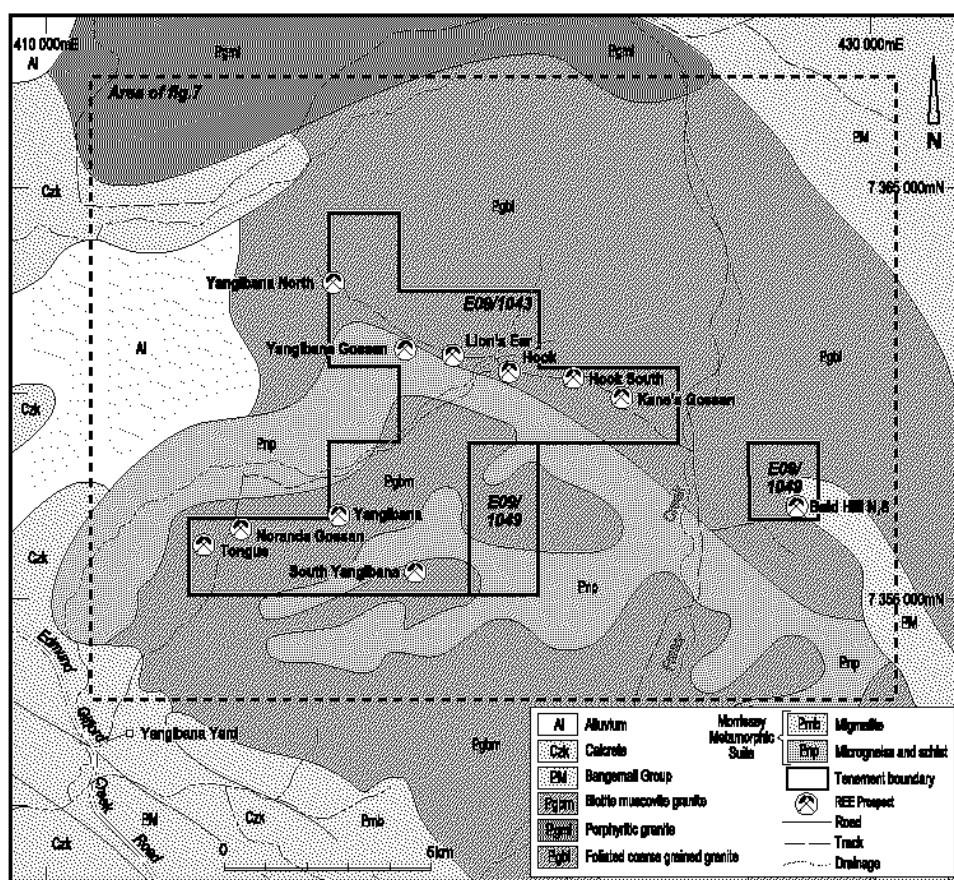
3.1 Introduction

GTI Resources has a 100% interest in E09/1043 and E09/1049 covering a total area of approximately 63km² (21 sub blocks).

The Yangibana Project is located approximately 270km east-northeast of Carnarvon on Gifford Creek Station in the Gascoyne region of Western Australia. Access is by gravel road from Carnarvon via Gascoyne Junction to Gifford Creek Station and thence by station tracks.

3.2 Previous Exploration

Recorded uranium exploration commenced in 1973 when Noranda Australia Limited (Noranda) investigated an ironstone outcrop with an elevated total count radiometric response (the Yangibana or Noranda Gossan) with



6. Yangibana Project Regional Geology

ground scintillometer traversing and surface geochemical sampling. Maximum uranium values of 53ppm U for an ironstone and 71ppm U for a felspathic contact rock were recorded. As Noranda decided that the radiometric anomalism was largely due to thorium, they undertook no further exploration.

From 1974 to 1975, Newmont Pty Ltd (Newmont) explored the area for base metals and focused on five prospects within the tenements and surrounding area by completing rock chip sampling and diamond drilling. Rock chip sampling results identified lead-zinc rich gossans (from 0.3%Pb and 0.1%Zn up to 3%Pb and 1% Zn) with uranium levels up to 58ppm U at the Yangibana East (Noranda Gossan), South Yangibana and East Fraser's Well prospects. Diamond drilling at the South Yangibana and East Fraser's Well prospects intersected base metal mineralisation (up to 0.65% Zn, 0.55% Pb, 5g/t Ag) hosted by a carbonate-rich BIF/magnetite-muscovite schist. Analyses for the diamond drilling program did not include uranium.

In 1981, Cliffs International Inc first examined the area for manganese then undertook photogeological studies that identified additional targets for base metal and uranium. One report indicates that 63 rock chip samples were collected and resulting assays recorded anomalous lead, zinc and REEs. However, there are neither results on Department of Industry and Resource (DOIIR) open files nor any record of follow up exploration.

Between 1985 and 1991, Challenger Mining Corporation NL and Hurlston Pty Ltd (Challenger) drilled a total of 80 reverse circulation holes on ten REE prospects over a total strike length of 7km (Figure 6). The majority of the holes intersected anomalous REEs in the oxide zone of the metasedimentary horizons identified by Noranda and Newmont. Challenger calculated average grade and bulk mineralisation tonnage for each prospect which they then totalled into a "resource" that they acknowledge required more drilling, but which apparently was not undertaken. There is no record of any uranium analyses from this work.

In 2007, Vistarise Limited reviewed the available geophysical data and historic exploration, and concluded that the area warranted modern multi-commodity exploration. The 1996 GSWA Bangemall magnetic and radiometric survey was reprocessed producing among other images a uranium channel image (Figure 7).

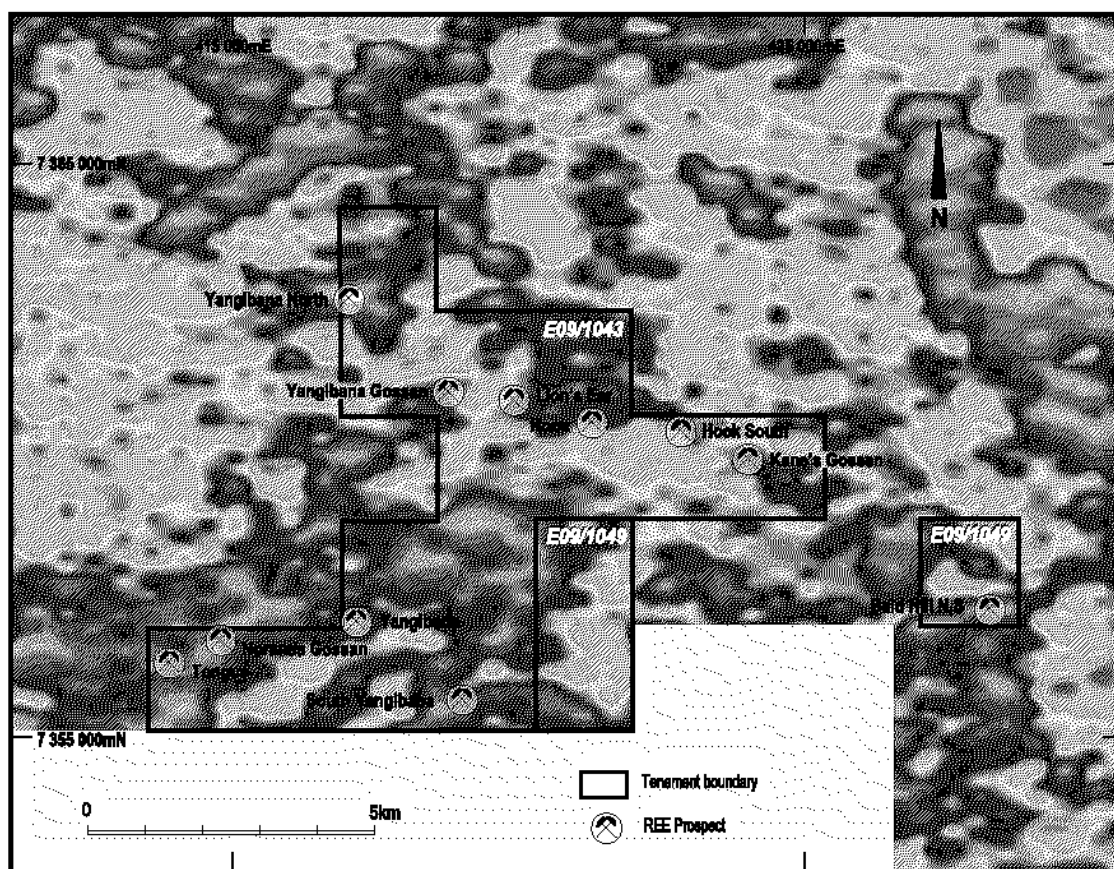
South of the tenement area is Pegasus Metals Limited's (Pegasus) Gifford Creek project where calcrete-hosted uranium mineralisation had been previously noted. Pegasus announced in May 2007 that the results from their airborne radiometric survey identified uranium channel anomalies over untested calcrete exposures, confirming the potential of the region and its under-explored status.

3.3 Project Geology

The dominant lithologies are the Pimbyana Granite in the northern sector and the Yangibana Granite to the south. Included in these intrusive bodies are rafts of sedimentary rocks including arenites, calc-silicates and quartzites.

Ironstones mapped as gossans have been the major focus of exploration and appear to correlate well with subtle trends in the regional magnetic data. After sampling and mapping the Yangibana Gossan, Noranda reported the following geological units:

- Quartz Mica Schist, mostly exposed to the north of the prominent Feldspar Magnetite Formation.
- Feldspar Magnetite Formation, coinciding with the occurrence of the radiometric anomaly. It consists of a fine grained albite-rich laminated rock with varying haematite after magnetite. Where the original magnetite content exceeds approximately 20%, the rock crops out as ironstone caps. Noranda further noted that the detrital grains included cheralite which is a dominant member of the monazite group.
- Granulite, predominantly south of the Feldspar Magnetite Formation and mineralogically and texturally varies from tourmaline granite with pegmatitic phases to minor hornblende quartz-diorite. The granulite merges into the schist in places.
- Mafic Intrusives, fine grained sills of basalt and dolerite intruding the schist.



7. Yangibana Uranium Channel Radiometric Image

In summary, Noranda concluded that origin of the magnetite and the "thorium bearing mineral" could have been due to the concentration of heavy minerals in the original sediment that was subsequently metamorphosed by granitic intrusion and regional tectonics.

Regionally, early folding is represented by foliation and folding in a west northwest direction which is modified locally by the emplacement of granite plutons. The next fold period produced a northwest trending synclinorium as reflected by the Mesoproterozoic Bangemall Basin. The final tectonic phase is the folding in a northeast direction resulting in narrow cross-strike fault zones commonly marked by later dolerite dykes.

Cainozoic alluvium and colluvium overlies some of the Proterozoic units as well as calcrete associated with drainages. This cover becomes thicker on the western side of the area towards the Edmund River.

3.4 Exploration Potential

Results from exploration to date, for uranium, REEs and base metals, clearly indicate the mineral potential of the area. While some detailed, but shallow, drilling was directed at the REE mineralisation, which extends semi-continuously over 7 kilometres of strike length, the work was not sufficient to establish resource categories using the JORC Code. Further drilling is warranted, in conjunction with research into mineralogy, current REE supply and marketing. In addition, only the most obvious outcropping targets have been drilled and there are no records indicating that systematic exploration for all mineral potential has been applied.

Due to the initial exploration groups deciding that the more significant radiometric responses were thorium derived, very little attention was subsequently directed to uranium in an environment of granitic and pegmatitic intrusions, structural traps and veining and the development of calcrete in drainages. This attitude prevailed during the late 1980s REE exploration program even though references were made to the possibility of hydrothermal activity, but only as it might relate to base metals. The recent discovery of untested uranium channel radiometric anomalies by Pegasus to the south demonstrates the validity of further uranium exploration.

Following collation of the geotechnical data into digital format a renewed exploration effort is warranted with a starting point being a detailed structural interpretation which would also include identifying possible dilational features suited to gold deposition.

3.5 Exploration Strategy and Budget

Most of the exploration data from the 1970s through to the present, including the anomaly mapping, will be captured into digital format and this preliminary work is of high priority for both the REE and uranium potential. Following completion, field visits are planned to validate the key data and ensure that all plans are correctly captured in GDA 94 datum.

Acquisition of remote sensing Aster and Landsat TM imagery will assist with the direct identification of anomalies as well as assisting with structural interpretation. Existing aeromagnetic and radiometric survey data will also be acquired, and further more detailed airborne surveys will be carried out as required. There is sufficient evidence from magnetic and radiometric data to date to suggest that additional ironstone targets exist that have no surface expression.

Extensive field surveys will be planned to conduct surface geochemical sampling, ground radiometric programs and collection of rock samples for petrographic descriptions. Follow-up work would include RAB, RC and diamond drilling on existing and newly generated targets.

GTI Resources has prepared a two year exploration program and budget for the Yangibana Project, consistent with established potential of the area.

The exploration program for Year 2 will depend upon the results of the Year 1 program and may be revised or varied in accordance with those results.

Table 2. Proposed Expenditure within Yangibana Project Area

Year 1	\$
Database establishment and compilation of previous exploration data	17,500
Aeromagnetic and radiometric surveys and interpretation	27,500
Remote sensing (Aster, Landsat)	8,000
Geochemical sampling	13,000
Rotary air blast drilling	45,000
Reverse circulation drilling	80,000
Diamond drilling	15,000
Scoping, marketing and geotechnical studies	10,000
Geological salaries and consultancy	35,000
Field costs and administration	11,500
TOTAL	262,500
Year 2	
Geophysical surveys and interpretation	20,000
Geochemical sampling	8,500
Rotary air blast drilling	15,000
Reverse circulation drilling	85,000
Diamond drilling	60,000
Scoping, marketing and geotechnical studies	40,000
Geological salaries and consultancy	50,000
Field costs and administration	18,000
TOTAL	296,500

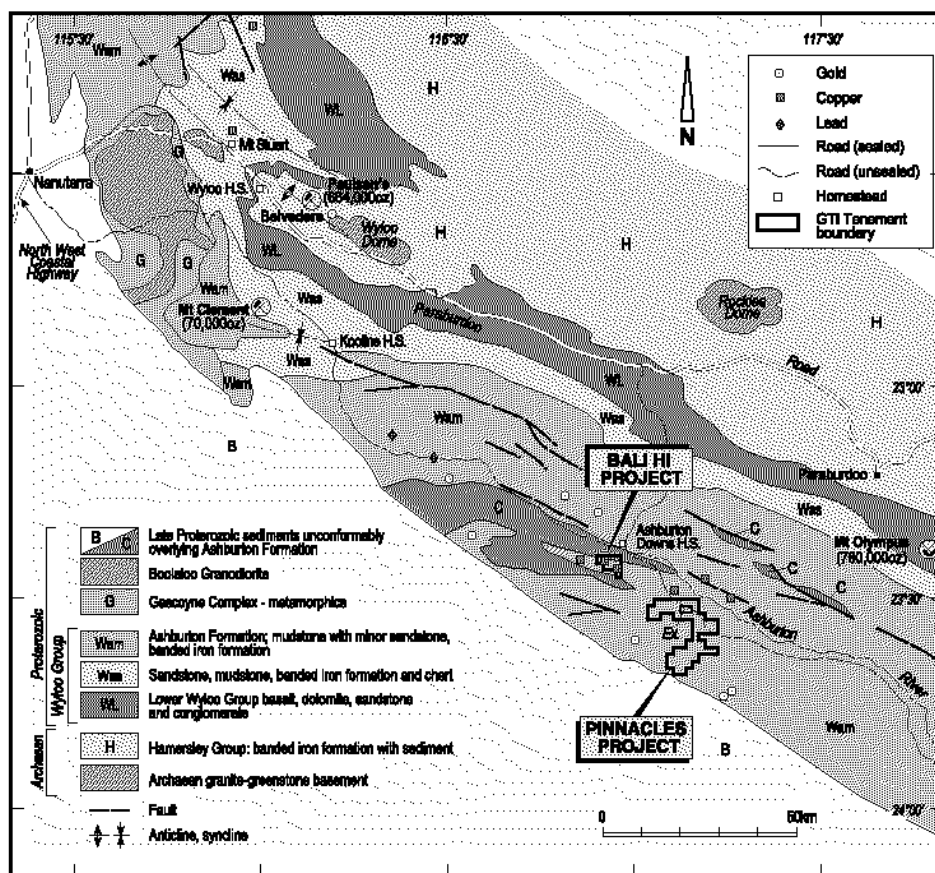
Proposed exploration expenditure on the Yangibana Project is estimated to be \$559,000 over a two year period and is considered adequate to cover the cost of the proposed programs. If more than the minimum amount of \$3.0 million is raised, this exploration budget will be increased pro-rata.

4. Bali Hi-Pinnacles Project

4.1 Introduction

GTI Resources has a 90% interest in Bali Hi E08/1372 and a 100% interest in Pinnacles E08/1793 and E08/1798. Together these cover an area of approximately 147km² (57 sub blocks).

The Bali Prospects are located on Gorge Creek, in the Capricorn Range approximately 80km west southwest of Paraburdoo and 15km to the west of the Ashburton Downs homestead. The Pinnacles area is located approximately 20km southeast of Bali Hi and 80km southwest of Paraburdoo (Figure 8).



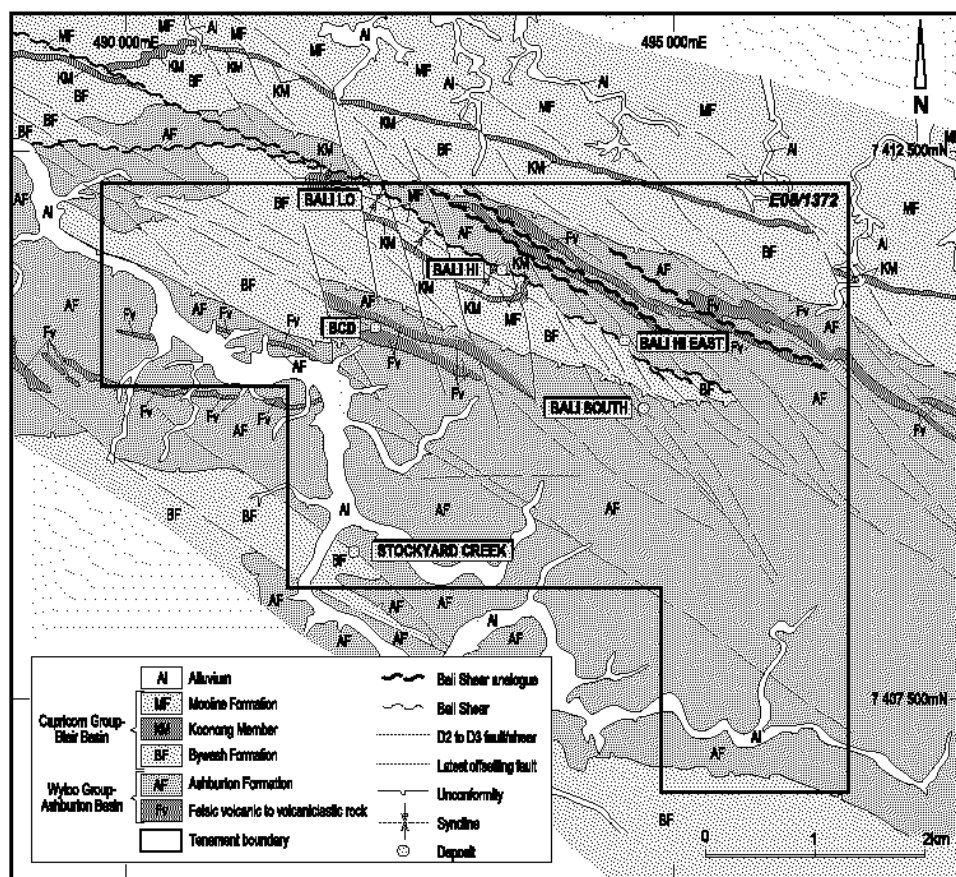
8. Bali Hi-Pinnacles Regional Geology

4.2 Previous Exploration

Bali Hi

From 1951 to 1961, small-scale diggings for copper were commenced at the Stockyard Creek, Bali East and Bali South prospects. From 1962-1963, a total of 129t of copper ore averaging 8.84% Cu was also mined from Bali Lo, Bali Hi and The Ledge Prospects. Between 1963 and 1966, Ashburton Exploration and Westfield Minerals N.L. sunk a 30m exploration shaft at Bali Hi which intersected primary Pb, Cu and Co mineralisation. Other work included mapping, grab sampling and stream sediment sampling. No uranium exploration was carried out in this period.

Base metal exploration continued from 1967 to 1968 with geological mapping and stream sediment sampling programmes completed by Pickands Mather and Co. International (PMI) which "led to the discovery of further mineralised shears" (November 1968 Final Report) particularly the BCD Anomaly (Figure 9). PMI also completed



9. Bali Hi Geology and Prospects

two diamond drill holes; one at Bali Lo and one at Bali Hi.

At Bali Lo, DDH 601 undercut the mineralisation approximately 40m below the surface. The hole was inclined 40°S while the shear zone dipped 70°-75°S, resulting in a true width intersection of approximately 2.7m @ 1.2% Cu. At Bali Hi, DDH602 intersected a sub-economic Cu/Pb zone at a depth of 60m, with the best intersection being 3.96m @ 0.025% Cu.

The first uranium exploration in the prospect area was commenced by Russgar Minerals N.L. in 1972-73 with geological mapping, scintillometer surveys and grab sampling programmes on the Bali Shear Prospects, Bali South and Stockyard Creek. Their results from this broad reconnaissance work were not sufficiently encouraging for them to continue. In 1977 Esso Exploration and Production Australia Inc. (Esso) continued with detailed mapping and scintillometer programmes, resulting in twenty shallow percussion holes being drilled to a maximum depth of 26.5m. Esso subsequently dropped the ground without adequately testing any of the mineralized zones which had been identified.

Uranerz Australia Pty. Ltd. (Uranerz) continued uranium exploration in 1981 in the wider Capricorn Orogen. Specific prospects explored included Bali Hi, Bali Lo, The Ledge and Stockyard Creek where geological mapping, geophysical surveying and grab sampling programs were carried out as well as an aerial photograph interpretation. Uranerz reported 6 distinct radiometric anomalies ranging from 600 cps (counts per second) to 2,500cps along a 600m strike length of the Bali Shear at Bali Hi. The best result was 180ppm U3O8 over 100m strike length from one composite sample.

In 1983 Barrack Exploration Pty Ltd (Barrack) entered into a joint venture with Uranerz, with the principal focus shifting from uranium back to gold and base metals. Barrack conducted field based programs including detailed gridding, geological mapping, and channel sampling, mostly along the Bali Shear. In 1984 eight reverse circulation

holes were drilled, although U_3O_8 was not analysed. In 1987-1988 Barrack completed 5 RC holes at Bali Hi (CA1, CA5-8) for a total of 450m. Base metal results were considered to be generally disappointing, and it was concluded that mineralisation was at best poddy, and tended to diminish at depth in fresh rock. Scintillometer readings of RC cuttings failed to exceed 100cps and correlated with low U_3O_8 analytical values (<14ppm). Results from the drilling program were not considered significant enough to warrant follow-up work for a company of Barrack's size.

During this period channel sampling programs were also undertaken at Bali East and Bali South 'Area E'. Results from six 2m composite samples at Bali East range from 0.75% Cu to 20.6% Cu (average 7.7% Cu), while at Area 'E', nine 2m composite samples returned values ranging from 0.98% Cu to 11.3% Cu (average 5.47% Cu). Again, uranium was not analysed in this program.

Barrack completed 14 RAB holes at Bali Hi, 13 at Bali Lo and 20 at Stockyard Creek. The results indicate that Bali Hi is a Pb-dominant system while Bali Lo is Cu-dominant, while no significant results were recorded for Stockyard Creek. Barrack also carried out rock-chip sampling on three 100m-spaced traverses approximately 500m west of the channel sampling program at Bali East. A maximum result of 1.93% Cu was reported in the middle traverse. There is no record of follow-up work being carried out at Bali South Area 'E'.

From 1994 to 1998, Minter Exploration N.L. focused on gold exploration but commented that there appeared to be more individual base metal occurrences than previously reported.

In February 2007, Globe Uranium Limited (Globe) announced significant uranium, base-metal and silver results from a reconnaissance rock chip grab sampling program, as follows.

Bali Lo Prospect:

4,273ppm U_3O_8 , 4.2% Cu, 0.7% Pb+Zn, 17ppm Ag
2,906ppm U_3O_8 , 20.1% Cu, 6.0% Pb+Zn, 60ppm Ag

Bali Hi Prospect:

11.5% Pb+Zn, 31ppm Ag
9.1% Pb+Zn, 20ppm Ag

Bali Hi East Prospect:

24.8% Cu, 357ppm Ag
19.9% Cu, 130ppm Ag
12.9% Cu, 31ppm Ag

Exploration included a reconnaissance scintillometer survey, rock-chip grab sampling and a structural geological mapping program. The aim was to determine uranium and base metal potential of the project and to gain an improved understanding of the geology and mineralisation styles.

Pinnacles

The Pinnacles tenements lie within a zone on the southern margin of the Ashburton Basin that is prospective for gold and base metals. They are flanked to the east and west by the Top Secret gold workings and the Mortimer alluvial gold deposits respectively.

This regional zone was extensively explored between 1965 and 1996 for base metals by major companies including, Anaconda Australia, Carpentaria Exploration, Union Miniere, CRA, Western Mining Corporation and Pasminco Exploration, and latterly for gold by Ashburton Gold Mines Ltd. No exploration was recorded from within GTI's tenement area, and no mineralisation is known.

Recently, Aurora Minerals Limited has announced its intention to explore major tenement holdings covering similar geology of the Ashburton Formation and part of the Bangemall Basin, including the Talga Fault.

There are no records of any uranium exploration at Pinnacles, even though the tenements are along strike from the known uranium occurrences on GTI's E08/1372.

4.3 Project Geology

The project area is situated in the Proterozoic Ashburton Basin. At Bali Hi, mapped exposures include both the Capricorn Group and the Ashburton Formation, while the Pinnacles area comprises Ashburton Formation largely overlain by Quaternary sediments.

Bali Hi

E08/1372 covers part of the unconformity between the Ashburton Formation and the overlying Capricorn Group. The unconformable contact dips gently to moderately, possibly having an angle of up to 30°. While the sedimentary formations are lithologically similar they differ in depositional environment. The Ashburton Formation was laid down in shelf and deltaic conditions while the Capricorn Group was formed by shallow water littoral deposition. At Bali Hi, the Ashburton Formation is predominantly shale and slate, with a locally sheared felsic volcanic to volcanoclastic unit also present. Regionally, the sequence is predominantly massive to laminated mudstone and siltstone, with significant proportions of immature sandstone and minor conglomerate and volcanoclastic rocks.

The overlying Capricorn Group formed during infill of the Blair Basin and comprises, from the base:

- The Bywash Formation, a turbiditic sequence, with local dolomitic units and minor felsic volcanics.
- The Koonong Member, a felsic volcanic and volcanoclastic unit.
- The Mooline Formation, a turbiditic thin to very thick, fine to very coarse to pebbly sandstone.

The Capricorn Group has been interpreted as sedimentation in the final stages of foreland basin evolution prior to closure during collision of the Pilbara and Yilgarn Cratons.

As stated previously, exploration focus to date has been on the Bali Shear which has been proven to host uranium, gold and base metal mineralisation. It has been mapped by the Geological Survey of Western Australia (GSWA) as being part of a major unconformable or faulted contact zone between units of the Ashburton and Capricorn units. The structural history of the shear appears complex, with data indicating both reverse and normal movement. Mineralisation appears to be associated with the latter.

Metamorphism in the general Bali Hi area has been to lower greenschist facies, so sedimentary rocks are composed of a typical assemblage of chlorite, muscovite and quartz. According to Martin et al. (2005), the regional deformation history for the area containing the Bali Hi prospects is as follows:-

- The earliest D1 deformation occurred prior to deposition of the Capricorn Group.
- The D2 deformation comprises folding and faulting, and is associated with base-metal mineralisation.
- The D3 deformation has only recently been identified and involved late-stage sinistral wrenching that reoriented fold axes and presumably reactivated earlier structures.

Where mineralisation has been discovered at a number of sites (including Bali Hi and Bali Hi East), at each location the turbiditic sequences of the Capricorn Group are juxtaposed against shales and slates of the Ashburton Formation with alteration generally proximal to the shear. Felsic volcanics of the Ashburton Formation are also commonly present.

Pinnacles

E08/1793 and E08/1798 cover considerable exposure of the Ashburton Formation, consisting dominantly of graded siltstones and fine grained sandstones. These show an overall southeasterly trending regional fabric paralleled by quartz veins and sub-regional faults and tension shears. On the southernmost tenement boundary, the Ashburton Formation is unconformably overlain by sediments of the Pingandy Shelf, which contain basal units of the Bangemall Basin including the Yilgatherra and the Irregularly Formations. Further south of the tenement boundary, the Pingandy Shelf is bounded by the recently recognised synsedimentary Talga Fault which is now considered to have had a significant influence in controlling the formation of, and sedimentation in, the Bangemall Basin during the mid-Proterozoic era. The Talga Fault is also important as a possible conduit for mineralisation.

Approximately 50% of the Ashburton Formation is masked by Cainozoic deposits consisting dominantly of alluvium and colluvium. Several significant drainages traverse the project area and these may contain areas of calcrete with potential for secondary uranium mineralisation.

4.4 Exploration Potential

Bali Hi

Results of exploration and research to date show that uranium mineralisation is locally associated with high-grade base metal mineralization on the Bali Shear within E08/1372. Structural geological mapping has identified a number of previously unrecognized controls on mineralisation that will be of use in identifying other prospective sites. A number of target structures for uranium and base metals have been identified just north of, and parallel to, the Bali Shear. Rock chip grab samples grading up to 0.2% Cu confirm the prospectivity of these new targets.

Previous drilling programs within the current tenements have focused on specific local prospects and appear to have assumed simple planar uniform mineralisation without allowing for structural complexity. As for the Cambridge Creek project area, previous explorers were restricted to a great extent by difficult access and generally the small size of drilling rigs available to them.

The more recent research highlights the significant uranium and base metal potential of the Bali Shear and the necessity to systematically explore other mineralised structures that have been identified.

A complete re-evaluation of the project is necessary, in conjunction with the application of modern geophysical techniques, to better define targets prior to further drilling.

Pinnacles

E08/1793 and E08/1798 are mostly a conceptual target area which has yet to be systematically explored by any modern method. The regional magnetic and radiometric survey data does clearly indicate continuity of the Ashburton Formation beneath the Quaternary transported cover. Attention should be given to the southern sector and the proximity of the regional Talga Fault as major faults in Proterozoic-aged sedimentary basins have been found to be associated with significant base metal and uranium deposits throughout the world.

4.5 Exploration Strategy and Budget

Bali Hi

As for GTIs' Cambridge Creek project, priority will be given to capturing as much as possible of the previous exploration data in digital format including the high standard detailed mapping. Follow-up field visits are required to validate some of the key data and ensure that all plans are correctly captured in GDA 94 datum.

Acquisition of remote sensing Aster and Landsat TM imagery will assist with the direct identification of anomalies as well as assisting with structural interpretation. Existing aeromagnetic and radiometric survey data will also be acquired, and further more detailed airborne surveys will be carried out as required. Target areas for potential surficial uranium deposition, associated with calcrete development within extensive modern drainages, will also be delineated by this work.

Following the above, extensive field surveys will be required to complete detailed structural mapping in target areas, surface geochemical sampling and radiometric programs. Prior to any follow-up RC and diamond drilling programs on existing and newly generated targets, the overall access to the area should be improved.

Pinnacles

Interpretation and integration of remote sensing and airborne geophysical survey data will be carried out, to identify analogues and extensions of the Bali Hi shear uranium and base metal mineralisation. Target areas for potential surficial uranium deposition, associated with calcrete development within extensive modern drainages, will also be delineated by this work.

Extensive field surveys will be required for inspection and ranking of anomalous areas defined from geophysical and remote sensing interpretation. As at Bali Hi, detailed structural mapping in target areas, surface geochemical sampling and ground radiometric programs are planned. RAB, RC and diamond drilling programs will be planned as the exploration progresses.

Table 3. Proposed Expenditure within Bali Hi-Pinnacles Project Area

Year 1	\$
Database establishment and compilation of previous exploration data	15,000
Aeromagnetic and radiometric surveys and interpretation	12,500
Remote sensing (Aster, Landsat)	8,000
Geochemical sampling	17,000
Rotary air blast drilling	40,000
Reverse circulation drilling	55,000
Geological salaries and consultancy	45,000
Field costs and administration	19,000
TOTAL	211,500
Year 2	
Geophysical surveys and interpretation	35,000
Geochemical sampling	12,500
Rotary air blast drilling	35,000
Reverse circulation drilling	125,000
Diamond drilling	50,000
Scoping, resource and geotechnical studies	14,000
Geological salaries and consultancy	67,000
Field costs and administration	29,000
TOTAL	367,500

GTI Resources has prepared a two year exploration program and budget for the Bali Hi-Pinnacles Project, consistent with the established potential of the project area.

The exploration program for Year 2 will depend upon the results of the Year 1 program. Exploration emphasis may be revised or varied in accordance with ongoing results.

Proposed exploration expenditure on the Bali Hi-Pinnacles Project is estimated to be \$579,000 over a two year period and is considered adequate to cover the cost of the proposed programs. If more than the minimum amount of \$3.0 million is raised, this exploration budget will be increased pro-rata.

5. Conical Hill Project

5.1 Introduction

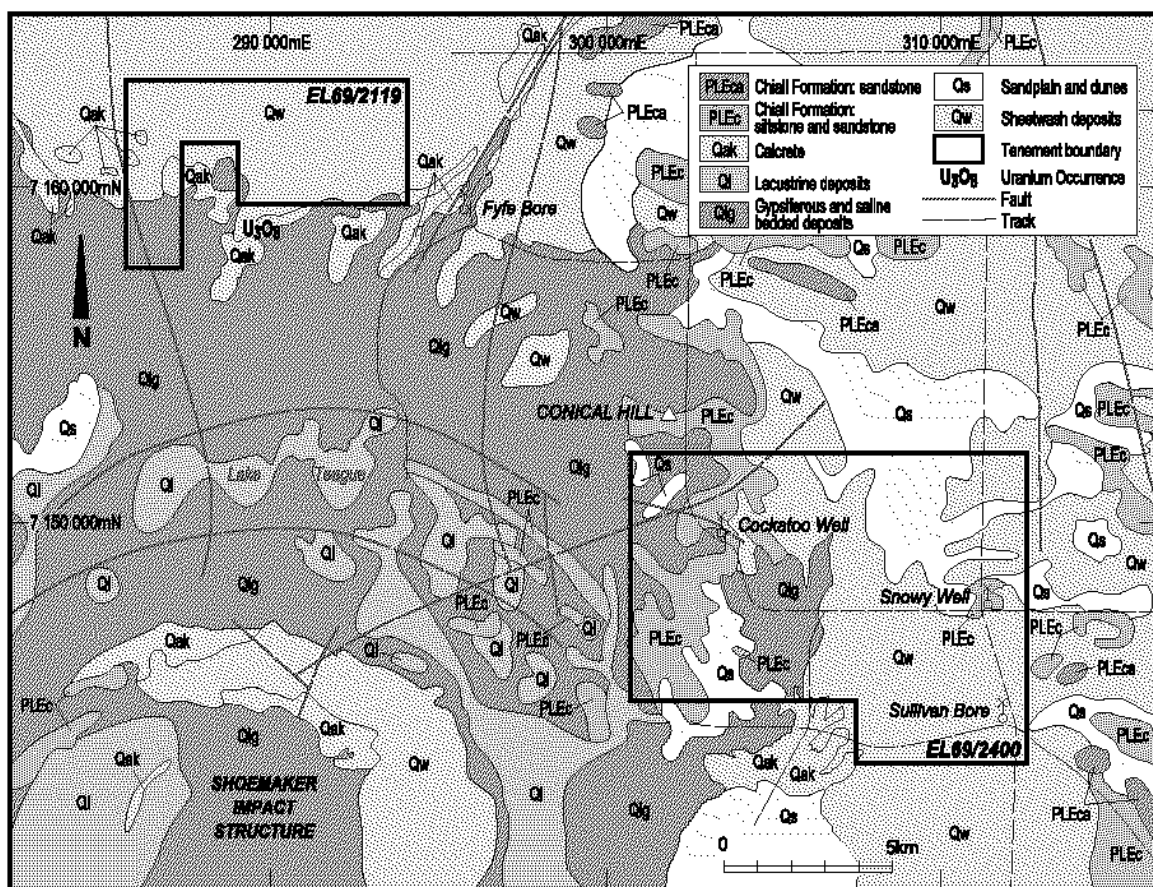
GTI has a 100% interest in both E69/2119 and E69/2400, covering 121km² and 37 sub-blocks.

The project lies approximately 130km northeast of Wiluna in Western Australia, on the southeast edge of the Mesoproterozoic Bangemall Super basin (Earaheedy Basin). The area is accessed by station tracks from the service road which extends past Granite Peaks homestead or by the Canning Stock Route from Wiluna.

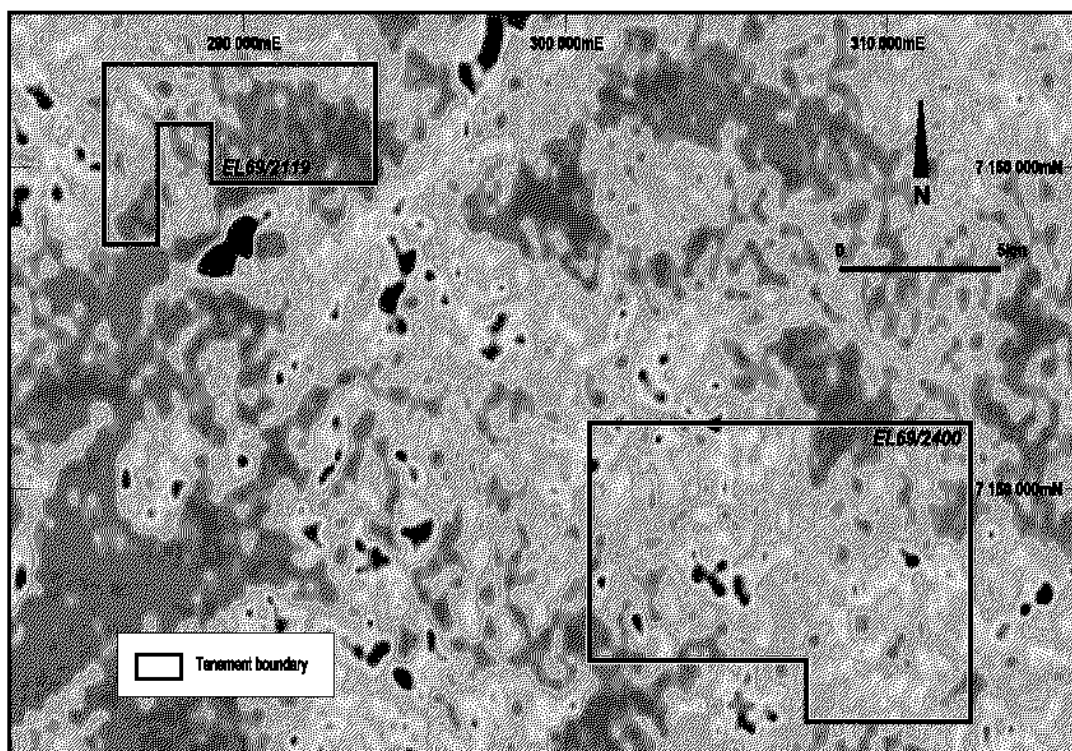
5.2 Previous Exploration

Following the announcement in 1972 by Western Mining Corporation of a major uranium discovery in a calcrete palaeochannel at Yeelirrie (35Mt at 0.15% U₃O₈), 80km southwest of Wiluna, many large exploration companies commenced searching for similar deposits.

In 1972, Esso Australia Limited (Esso) completed reconnaissance aerial radiometric surveys over all mapped major calcrete deposits in the northern part of the Eastern Goldfields. This included the Fyfe Well area, where a radiometric anomaly was identified in an area of playa lakes immediately to the south of current E69/2119. The northern portion of the anomaly extends into GTI's tenement. Surface geochemical sampling results ranged from 56-225ppm U₃O₈. The uranium mineral carnotite was identified, forming crystalline films along fractures and other voids in the calcrete.



10. Conical Hill Geology



11. Conical Hill Uranium Channel Radiometric Image

Esso concluded their work with two very shallow drilling programs for a total of 185 holes to planned depths ranging from 10-16m. They used a portable total-count instrument to measure radiometric values for all holes. Analytical results for drill samples recorded a maximum 0.1% U_3O_8 from mostly carnotite mineralisation, which was regarded as widespread but patchy. From DOIR open file records it appears that the area has never been systematically drilled out or explored in any detail by any other company.

In 1978, Uranerz carried out uranium exploration around the Shoemaker meteorite impact structure to the south and west of GTI's Conical Hill tenements. They were targeting veins within Palaeoproterozoic rocks and they recorded anomalous uranium to 15ppm U_3O_8 , and up to 35ppb in a water sample.

In 1989, BHP-Utah Minerals International (BHP) completed a reconnaissance soil and rock chip sampling program that covered part of E69/2400 targeting gold and base metals. Though no significant results were recorded, BHP reported that weakly elevated gold, platinum and palladium results were due to lithological variations.

5.3 Project Geology

The Palaeoproterozoic Earahedy Basin, which contains the Earahedy Group, is part of the Capricorn Orogen. The basin is thought to post-date the Capricorn Orogeny and was probably deformed during a later tectonic phase.

Recent revisions to Earahedy Group stratigraphy by the Geological Survey of Western Australia include:

- The introduction of the Sweetwaters Well Member of the Yelma Formation for a stromatolitic carbonate unit in the southwestern and western parts of the basin
- The amalgamation of the Wandiwarras Formation and Princess Ranges Quartzite into the Chiall Formation
- The introduction of the Karri Karri Member for thinly laminated shale at the base of the Chiall Formation in the north and southwest
- The recognition that the Windidda Formation is a correlative of the upper Frere Formation.

The sedimentary features in the Earahedy Group indicate deposition in a shallow-marine to coastal environment and possibly represent the southern portion of a passive continental margin on the northeastern edge of the Yilgarn Craton.

E69/2119 covers an area of extensive Cainozoic sediments (Figures 10 and 11), including calcrete, that is underlain by the Chiall Formation and lies in a demagnetised zone extending north and northeast from the Shoemaker meteorite impact area (after Pirajno, 2002). The Chiall Formation consists of shale, siltstone, and mudstone intercalated with thick sandstone beds and intraclastic breccia. The formation represents a change from combined chemical and fine grained clastic sedimentation to coarser grained clastic deposition.

The Shoemaker impact structure has been described (Pirajno, 2002) as being about 30km in diameter, deeply eroded, and consisting of a ring syncline and a ring anticline with a core of Archaean granite-greenstone rocks that is interpreted as the central uplift. The structure is well defined by circular aeromagnetic anomalies and a negative Bouguer gravity anomaly coincident with the central uplift.

E69/2400, centred approximately 10km southeast of E69/2119, covers an area mapped by the GSWA as dominantly Chiall Formation and possibly the sedimentary Windidda Member of the Tooloo Sub Group overlapped by Quaternary and Tertiary sediments. BHP-Utah recorded outcrops of Proterozoic sediments in this area but did not provide geological mapping with the report.

5.4 Exploration Potential

Uranium anomalism within extensions of the palaeochannel systems that hosts the mineralisation discovered by Esso in 1972 extends into GTI's project area. This area has received only minimal reconnaissance testing and represents a priority exploration target.

Although Esso's exploration program was largely conducted just outside the current tenement, their results indicate that a detailed review of possible extensions is warranted. Importantly, other exploration companies have also reported uranium anomalies within the Fyfe Well area, elsewhere within the mineralised palaeochannel system explored by Esso.

E69/2400 is a conceptual target area and has yet to be explored by any modern method. Available reconnaissance radiometric survey data shows elevated responses in an area of minimal information on the regolith stratigraphy and possible obscured palaeochannels. Tertiary drainages east of lake systems generally have a shallow windblown sand cover, due to the direction of prevailing winds, and this will mask or reduce any radiometric anomalism from underlying calcretes.

The location of the BHP gold exploration requires ground checking to assess the sample media collected, particularly the ratio of transported to residual components.

Systematic evaluation and exploration of the Conical Hill projects area is warranted, with emphasis on a detailed understanding of the extent and depth of the regolith units and the nature of the regional radiometric responses.

In a recent GSWA Report (Abeyasinghe, 2005) the Shoemaker impact structure and surrounding area, including ground held in the Conical Hill project by GTI, has been described as prospective for uranium, gold and hydrothermal base metal mineralisation as a result of their technical investigations.

5.5 Exploration Strategy and Budget

Acquisition and interpretation of remote sensing and airborne geophysical data, field reconnaissance and data collation will be undertaken initially to further define target areas. Immediate future work will focus on the re-interpretation of aeromagnetic data with a view to identifying structural breaks that would have influenced the palaeo-landform, particularly the drainage systems.

Previous exploration data will be entered into a digital database prior to ground checking of the program area to validate anomaly positions and details and nature of surficial cover. The location of anomalous drilling results immediately south of the tenement boundary of E69/2119 will be confirmed, and the extension of the target host sediments into GTI's project area will be mapped in detail in preparation for design of drilling programmes.

Table 4. Proposed Expenditure within Conical Hill Project Area

Year 1	\$
Database establishment and compilation of previous exploration data	6,500
Aeromagnetic and radiometric interpretation	7,000
Remote sensing (Aster, Landsat)	3,500
Geochemical sampling	4,000
Rotary air blast drilling	13,000
Reverse circulation drilling	20,000
Geological salaries and consultancy	10,000
Field costs and administration	3,000
TOTAL	67,000
Year 2	
Geophysical interpretations	5,000
Geochemical sampling	7,000
Rotary air blast drilling	15,000
Reverse circulation drilling	25,000
Scoping, resource and geotechnical studies	4,000
Geological salaries and consultancy	19,000
Field costs and administration	8,500
TOTAL	83,500

GTI Resources has prepared a two year exploration program and budget for the Conical Hill Project which is consistent with the potential of the project.

The exploration program for Year 2 will ultimately depend upon the results of the Year 1 program and may be revised or varied in accordance with those results.

Proposed exploration expenditure on the Conical Hill Project is estimated to be \$150,500 over a two year period and is considered adequate to cover the cost of the proposed programs. If more than the minimum amount of \$3.0 million is raised, this exploration budget will be increased pro-rata.

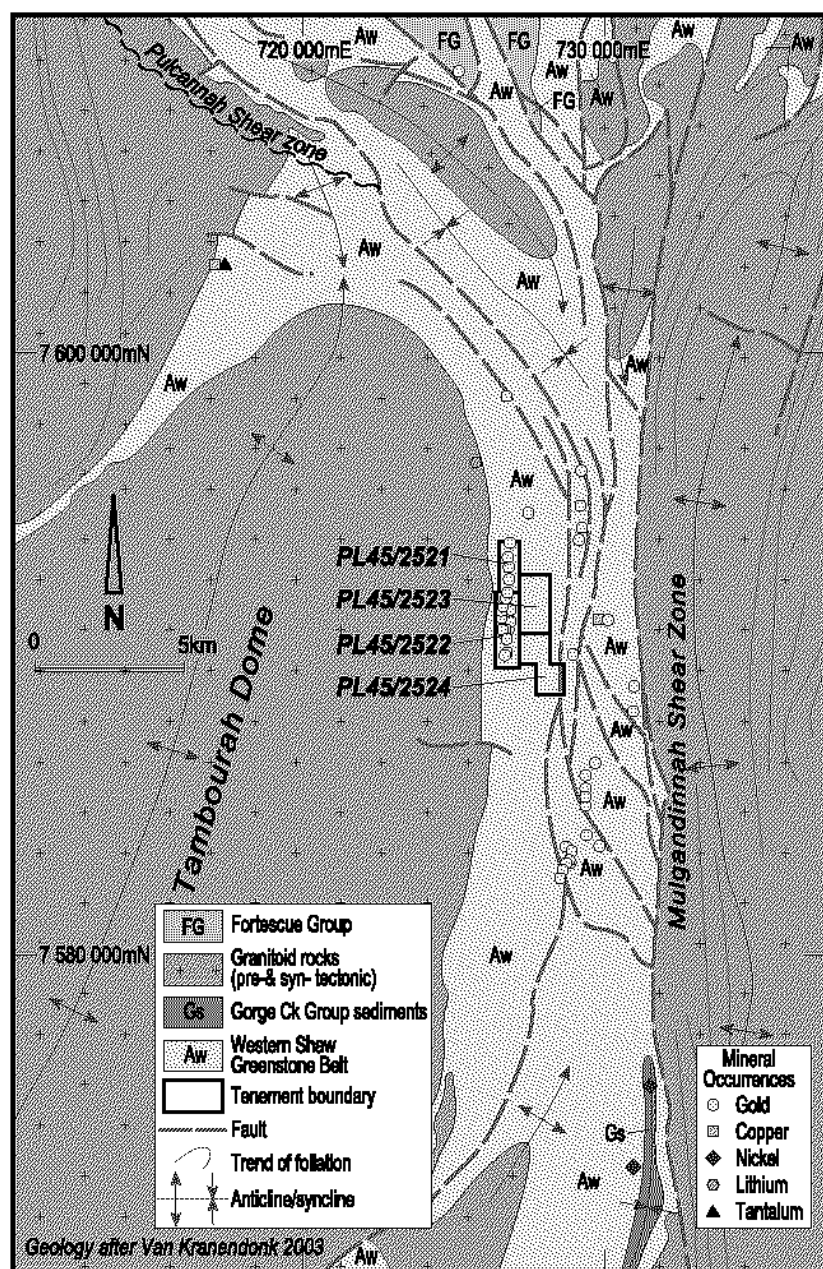
It should be further noted that these figures reflect the current ungranted status rather than perceived prospectivity and may be subject to increase dependant on timing of access becoming available.

6. TAMBOURAH PROJECT

6.1 Introduction

GTI Resources has a 90% interest in P45/2521 to P45/2524 inclusive covering a total area of approximately 7km².

The Tambourah Project is located approximately 85km southwest of Marble Bar in the East Pilbara Region of Western Australia and is accessed by the main road from Marble Bar to Port Headland (Figures 12, 13).



12. Tambourah Tenement Location

6.2 Previous Exploration

Between 1897 and 1904, the Tambourah mining centre has a recorded gold production of 2003 ounces for an average grade of 38.5g/t Au, the bulk of the production coming from Western Chief and World's Fair. Total production of gold to the end of 1977 from Tambourah is 5,247 ounces at an average recovered grade of 30.0g/t Au (Hickman, 1983).

During 1984, Terrex Resources NL ("Terrex") drilled 18 shallow RC drill holes that focussed on Blue Lode and the Star located 3km to the north of the tenement area. Terrex reported potential gold estimates at Blue Lode of 66,876t at 1.69g/t Au within a chert band which had a possible strike length of over 3km.

The drilling program also included the Western Chief-Kirkpatrick Belt workings, which lie within the current tenement area (Figure 13). Some of the better results included:

- Western Chief, from 26-27m, 1.0m @ 6.55g/t Au.
- Tambourah King, from 21-22m, 1.0m @ 30.70g/t Au.
- Alexandria, from 22-23m, 1m @ 2.37g/t Au.

Other historic workings to the south, including Old Australian and Kushmattie, were not drilled. Terrex recommended further drilling at Western Chief, Tambourah King and Alexander with a view to defining the open cut potential, but they apparently did not carry out this planned work.

In 1989 Auridium NL ("Auridium") completed a program of geological mapping and rock chip sampling at Tambourah King, Western Chief, Alexandria and Kushmattie. Individual lines of pyritic quartz reefs and veins were traced along distances ranging from 50m to 1,200m. Rock chip sampling confirmed the high grades from the old workings including results of 210g/t Au, 105g/t Au and 61g/t Au.

In 1991 Auridium carried out a 13 hole shallow scout RC drilling program to test subsurface extensions of reef below the workings. The best result was at Kushmattie where a mineralised zone of fresh pyritic quartz yielded an intercept of 8m at 13.6g/t Au. The true width was estimated to be 2.0m, and Auridium inferred a body in the order of 10,000 tonnes of high-grade mineralisation, which may be open at depth. No follow up drilling was undertaken.

In January 2007, Cortona Resources Limited (Cortona) announced anomalous gold results from 89 reconnaissance rock chip samples that validated the prospectivity of the project. In summary, thirty-five samples returned gold assays >1.0g/t, while 9 of those exceeded 10.0g/t Au (including 58.5g/t, 52.1g/t, and 49.4g/t). One of the samples returned anomalous base metal results as follows:

2.95g/t Au, 0.75% Cu, 0.63% Pb and 38g/t Ag.

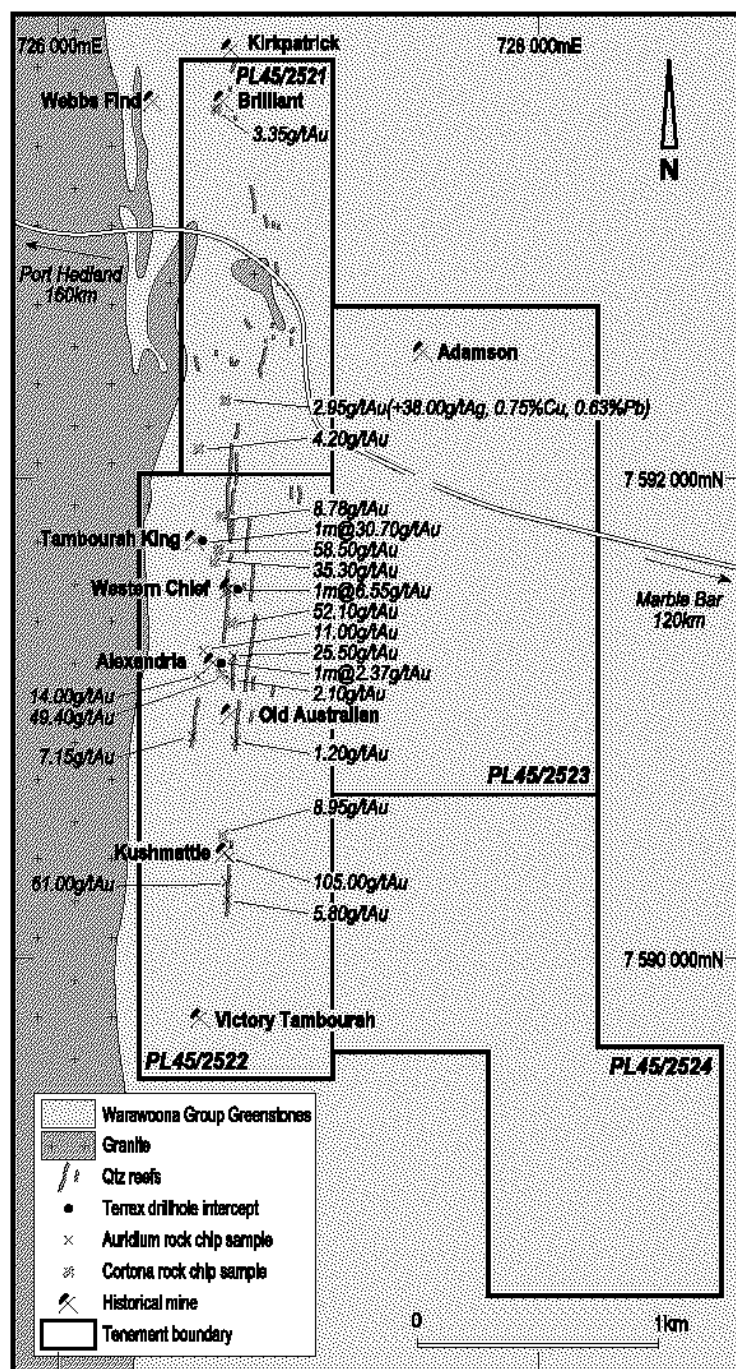
All the samples were collected within the greenstone units adjacent to their major north-south trending contact with the Tambourah Granite.

6.3 Project Geology

The tenements overlie the southern-central part of the well-exposed East Pilbara Granite-Greenstone Terrane in of the Pilbara Craton. Apart from sparse Cainozoic cover, the project area is entirely underlain by Archaean rocks, including metavolcanic and metasedimentary rocks of the Pilbara Supergroup and a variety of granitoid rocks that outcrop in part as domes and as minor intrusions.

Metamorphic grade in the greenstones decreases away from granitoid complexes, from middle and lower amphibolite facies to lower greenschist. Three periods of deformation were recognized in the granite-greenstone basement resulting in folding about an approximate north-south axis. The tenement area lies within the West Shaw Greenstone Belt on the eastern limb of an anticline folded about the Tambourah Dome. The greenstone belt rocks have been classified as belonging to the Warrawoona Group (Ferguson and Ruddock, 2001) which further to the north hosts the Panorama VMS base metal deposits.

Locally, the West Shaw Greenstone Belt strikes north south and consists largely of amphibolite-rich mafic to ultramafic meta-volcanic rocks, including foliated meta-pyroxenites, mafic schists and metabasalts. These mafic



13. Tambourah Prospect Geology

extrusives are interbedded with several thin and persistent metasedimentary horizons, which include metapelites, quartzites and minor banded iron or banded chert. Layered metabasalts predominate in the east. The Belt is bounded to the east by Mulgadinnah Shear Zone which represents the western edge of the granitic Shaw Dome.

6.4 Exploration Potential

The combination of past workings and the results from the more recent rock chip sampling program demonstrate the presence of gold mineralisation along an overall strike length of 4km within the tenement area. From the available records it is clear that past exploration was focused in on the old workings at relatively shallow depths and that these workings were dealt with in isolation. An exploration approach is warranted that considers the following:

- That the old workings are part of a major mineralising event or the remobilised portions of it, particularly as the West Shaw Greenstone Belt is "sandwiched" between two major domes, one of which is fault bounded. Early workers often described gold mineralisation associated with "cherts" but it is noted that later workers suggested some of the cherts were mylonites which favours remobilisation as part of the genesis of some mineralisation.
- That the later elevated base metal results are indicating a sulphidic mineralisation.
- That the granite contact requires research; Webb's Find west of the project area is shown close to the contact.

Recent work by the Geological Survey of Western Australia has revised the stratigraphy of the Warrawoona Group, which has enhanced exploration potential for further VMS discoveries and defined cherts as useful target zones for exploration (Ferguson and Ruddock, 2001).

6.5 Exploration Strategy and Budget

A study of all the mineral occurrences within the West Shaw Greenstone Belt has been commenced, in order to enhance an understanding of all the possible mineralising events, structural controls and associated base metal mineralisation.

Subsequent to completion of the regional study, a re-evaluation of previous exploration within the tenements is necessary as a base to develop an exploration program which will include:

- Infill drilling between the loci of known gold mineralisation
- Extensional drilling to investigate mineralised structures down dip and down plunge.

GTI Resources has prepared a two year exploration program and budget for the Tambourah Project, consistent with established potential of the area.

The exploration program for Year 2 will depend upon the results of the Year 1 program and may be revised or varied in accordance with those results.

Table 5. Proposed Expenditure within Tambourah Project Area

Year 1	\$
Database establishment and compilation of previous exploration data	10,000
Aeromagnetic and radiometric interpretation	6,000
Remote sensing (Aster, Landsat)	7,500
Geochemical sampling	16,000
Rotary air blast drilling	25,000
Reverse circulation drilling	40,000
Geological salaries and consultancy	35,000
Field costs and administration	14,500
TOTAL	154,000
Year 2	
Geophysical interpretation	10,000
Geochemical sampling	7,500
Rotary air blast drilling	35,000
Reverse circulation drilling	75,000
Diamond drilling	40,000
Scoping, resource and geotechnical studies	7,500
Geological salaries and consultancy	65,000
Field costs and administration	32,000
TOTAL	272,000

Proposed exploration expenditure on the Tambourah Project is estimated to be \$426,000 over a two year period and is considered adequate to cover the cost of the proposed programs. If more than the minimum amount of \$3.0 million is raised, this exploration budget will be increased pro-rata.

7. LIST OF TECHNICAL ABBREVIATIONS

As	Arsenic
Au	Gold
Cps	Counts per Second
Cu	Copper
E, EL	Exploration Licence
EM	Electromagnetic
eU, eU ₃ O ₈	equivalent uranium, uranium oxide, from radiometric readings rather than chemical analyses
g/t	Grams per tonne (eg. 5.0ppm Au = 5 grams gold per tonne)
km	Kilometres
km ²	square kilometres
Ha	Hectares
m	Metres
Mt	Million tonnes
P	Prospecting Licence
Pb	Lead
ppm	Parts per million
ppb	Parts per billion
TM	Thematic Mapping
U	Uranium
Zn	Zinc

8. GLOSSARY OF TECHNICAL AND MINING TERMS

8.1 General terms

AEROMAGNETICS	Geophysical technique whereby the characteristics of the Earth's magnetic field are recorded by airborne equipment sensitive to magnetics.
ALTERATION	Any change in the mineralogical composition of a rock brought about by physical or chemical means, especially by hydrothermal solutions.
AMPHIBOLITE	A crystalline metamorphic rock consisting mainly of amphibole and plagioclase, with little or no quartz. The amphibole is usually hornblende.
ANOMALOUS	Deviating from the normal, usually referring to significant or unusual data.
ARCHAEAN	A period of geologic time extending from about 3.9 billion years to 2.5 billion years ago. The oldest rocks of the Earth's crust.
ARENITE	A sedimentary rock composed almost entirely of sand grains.
ARGILLITE	A fine-grained sedimentary rock that has been weakly metamorphosed.
BARITE	Barium sulphate.
BASALT	A fine-grained volcanic rock composed chiefly of feldspar and mafics.
BASE METAL	Non-precious metal – usually refers to zinc, copper, lead, nickel.
BIF	(Banded iron formation) A sedimentary mineral deposit dominated by iron oxides, carbonates, or silicates that were deposited chemically from seawater. Most BIFs were formed between 2.5 and 3.5 billion years ago. Their formation is related to the rise of oxygen in the atmosphere.
CHERT	A compact dense rock composed of very fine grained silica. Jasper is a variety with iron oxides.
CRATON	The stable portions of the continents that have largely escaped orogenic activity for the last 2 billion years, consisting predominantly of granite and metamorphic rocks.
DIAMOND	(drilling) Method of obtaining a cylindrical core of rock by drilling with a diamond impregnated bit.
DOLERITE	An intrusive, dark-coloured, mafic igneous rock consisting essentially of calcium-rich plagioclase and some pyroxene mineral, usually augite, with grain size between coarse-grained gabbro and fine-grained basalt.
DYKE	A tabular body of igneous rock that cuts across the structure of the country rocks as a discordant igneous intrusion.
ELEMENT	A fundamental substance that cannot be further refined or subdivided by chemical means.
FACIES	The aspect, appearance and characteristics of a rock unit, usually reflecting the conditions of its origin.
FAULT	A planar or gently curved fracture across which there has been relative displacement.
FELSIC	An adjective used to describe an igneous rock composed chiefly of light-coloured feldspar

	minerals (orthoclase, chiefly, $\pm$ plagioclase), usually accompanied by quartz and some biotite (black) mica.
FOLD	A planar feature, such as bedding, that has been strongly warped, presumably by deformation.
FORMATION	The basic unit for the naming of rocks in stratigraphy; a set of rocks that are or once were horizontally continuous, sharing some distinctive feature and are large enough to be mapped.
GABBRO	A coarse-grained igneous rock composed chiefly of feldspar and pyroxene.
GEOCHEMICAL	(exploration) Exploration for commodities by the detection of trace amounts of elements dispersed by the chemical and physical weathering of rocks.
GEOLOGY	The science that deals with the study of the planet Earth, its materials, the processes that act to change these materials, and the history recorded by these materials and the forces acting to deform the outer layers of the Earth; Structural geology - The branch of geology that deals with the description, representation, and analysis of structures, chiefly on a moderate to small scale.
GEOPHYSICS	The measurement of physical geological properties in the search for minerals, water supplies or engineering information.
GOSSAN	The weathered surface expression of sulphide mineralisation – composed of hydrated oxides of iron.
GRANITE	Light coloured, coarse grained, intrusive igneous rock characterized by the minerals orthoclase and quartz with lesser amounts of plagioclase feldspar and iron-magnesium minerals. Underlies large sections of the continents.
GRAYWACKE	A term generally applied to a dark grey firmly compacted coarse grained sand stone that consists of poorly sorted angular to sub angular grains of quartz and felspar, with a variety of dark rock and mineral fragments, embedded in a compact clayey matrix. Greywacke commonly exhibits graded bedding and is believed to have been deposited by submarine turbidity currents.
GREENSTONE	(Also greenschist) Basalt subjected to low temperature-and-pressure-metamorphism. The resulting rock has a greenish-black colour due to the presence of chlorite (a dark green mica) and epidote (a yellowish-green mineral) developed during metamorphism; Greenstone Belt - A region of greenstones, one of two characteristic regions within cratons.
INTERSECTION	Drilling term referring to the length of mineralisation or material of interest intersected in a drill-hole.
INTRUSION	An igneous rock body that has forced its way in a molten state into surrounding country rock; intrusive: Igneous rock that is formed by the emplacement of magma in pre-existing rock, as interpreted from its crosscutting contacts, chilled margins or other field relations.
LANDSAT	Remote imaging system provided by satellite coverage.
LITHOLOGY	The systematic description of rocks, in terms of mineral composition and texture.
LODE	A mineral deposit consisting of a zone of veins, veinlets or disseminations.
MAFIC	Referring to a generally dark-coloured igneous rock composed chiefly of ferromagnesian (magnesium and iron rich) minerals.
MAGNETIC	(anomaly) - Amount by which a measurement of the local magnetic field intensity exceeds or falls below the intensity of the global magnetic field.
MELA	commonly formed of rocks more rigid than those of its surroundings. Dark coloured.
MESOPROTEROZOIC	a fragmentary and generally sheared matrix.
MINERAL	Middle Proterozoic A naturally-occurring element or compound with a precise chemical formula and a regular internal lattice structure. Organic products are usually not included.
MINERALISATION	Any natural concentration of a potentially valuable material in the Earth's crust, whether that material can be extracted profitably or not.
ORE	The naturally occurring material from which a mineral or minerals of economic value occur in high enough concentration to make mining economically feasible.
OROGENY	Literally, the process of forming mountains. By present geological use, orogeny is the process by which structures within fold-belt mountainous areas were formed.
ORE MINERAL	The mineral of an ore which contains the economically important element(s).
ORE DEPOSIT	A well-defined mass of material of sufficient ore content to make extraction economically feasible.
OUTCROP	Naturally-exposed bedrock.
OXIDE	Pertaining to rock above a past or present water table altered by chemical or physical weathering.
PALAEOZOIC	An era of geological time (320million years) from the end of the Precambrian; 545 Ma to 225 Ma
PALAEOPROTEROZOIC	Early proterozoic

MONAZITE	A mineral that is the principal ore of the rare earth elements and the main source of thorium.
MYLONITE	A compact chert like rock without cleavage, but with a streaky or banded structure, produced by the extreme granulation and shearing of rocks by overthrusting or intense dynamic metamorphism.
PEGMATITE	An extremely coarse-grained igneous rock with interlocking crystals, usually with a bulk chemical composition similar to granite but commonly containing rare minerals enriched in lithium, boron, fluorine, niobium, and other scarce metals.
PELITE	A sedimentary rock composed dominantly of clay.
PORPHYRY	An igneous rock of any composition that contains conspicuous phenocrysts (large individual crystals) in affine grained groundmass.
PROJECT	An administrative entity covering tenements, agreements, budgets, etc., based on one or more prospects.
PROSPECT	An area of ground defined for exploration.
PROTEROZOIC	The geologic period between the Archaean and Phanerozoic periods, beginning about 2.5 billion years ago and ending about 0.6 billion years ago.
PROXIMAL	Close to or near, pertaining to igneous or sedimentary deposits consisting of coarser particles deposited near to their source areas.
QUARTZ	Mineral with the formula SiO_2 . Usually it is clear, or translucent white, but it can be other colours due to impurities or radiation damage. It is not scratched by a knife and breaks irregularly.
QUARTZITE	A sandstone that is composed of grains of quartz that has been changed by metamorphism to form a harder silica-rich rock.
RAB	Rotary Air-Blast drilling, a drilling method in relatively soft rock by means of a rotating bit and compressed air which carries the drill cuttings to surface between the rods and the wall of the hole.
RARE EARTH ELEMENTS (REEs)	The rare earth elements (or "rare earths") are also known as the lanthanide series of elements and include the 15 elements in the lanthanide series of the Periodic Table of the Elements, plus yttrium and scandium. The better-known elements are cerium, lanthanum, neodymium, praseodymium, gadolinium, europium, and samarium.
REMOTE SENSING	The study of Earth surface conditions and materials from aircraft and satellites by means of photography, spectroscopy, radar or other sensing media.
RESOURCES	A "Mineral Resource" is a concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are subdivided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.
RC DRILLING	Abbreviation for Reverse Circulation drilling, whereby sample material is returned to the surface through the inside of the drill rods by compressed air.
ROCK	A consolidated aggregate of one or more minerals in varying proportions.
SHALE	A fine grained detrital sedimentary rock formed by the compression of clay and silt.
SCHIST	A medium- to coarse-grained, foliated (layered) metamorphic rock created by regional metamorphism to medium or high temperatures and shearing pressures. Mineral composition is not an essential factor in its definition. Schists are strongly foliated.
SHEAR	Rock deformation involving movement past each other of adjacent parts of the rock and parallel to the plane separating them.
SILICA	Any material with the composition SiO_2 . Often refers to a jelly-like substance with that composition which can act as a rock cement or solidify by itself as chert, flint, or jasper; a pure crystalline substance which makes up quartz and related forms such as flint and chalcedony. More generally, silica is the basic chemical constituent common to all silicate minerals and magmas (adj. silicified).
SILICATE SOIL	A mineral or rock with a predominant composition that includes silicon and oxygen. All unconsolidated materials above bedrock. Natural earthy materials on the Earth's surface, in places modified or even made by human activity, containing living matter, and supporting or capable of supporting plant life.
STRATIGRAPHY	The succession and age relation of layered rocks.
STRIKE	The angle between true North and the horizontal line contained in any planar feature (inclined bed, dyke, fault plane, etc.); also the geographic direction of this horizontal line.
STRUCTURES	The three-dimensional orientations and relative positions of the rock masses of an area, including the sum total of features resulting from such processes as faulting, folding, and igneous intrusion. The features generally are usually best seen on an outcrop rather than in hand sample.

SULPHIDE	Minerals containing a metal and sulphur.
SYNCLINE	A fold the core of which contains stratigraphically younger rocks.
TENEMENT	A legal title to land for the purposes of exploration and/or mining. A boundary indicating the limits of such title.
TERRANE	A group of rocks and the area in which they outcrop.
THEMATIC MAPPING	A remotely-sensed imaging method where particular wavelengths of reflected light may be selected and are utilized to highlight certain geological features of interest.
UNCONFORMITY	A break or gap in the geologic record, such as an interruption in the normal sequence of deposition, or the structural relationship between two groups of rocks that are not in normal succession; also their surface of contact.
VEIN	A narrow, relatively planar fissure, joint or fault along which minerals have been deposited or along which mineralizing solutions have permeated to alter and/or deposit minerals in the wall rock.
WEATHERING	The processes that decay and break up bedrock, by a combination of physical fracturing and/or chemical decomposition.

8.2 Composition of Some Uranium Bearing Minerals

Autunite	$\text{Ca}(\text{UO}_2)_2(\text{PO}_4)_2 \cdot 10\text{-}12\text{H}_2\text{O}$
Bassetite	$\text{Fe}(\text{UO}_2)_2(\text{PO}_4)_2 \cdot 8\text{H}_2\text{O}$
Beta-uranophane	$\text{Ca}(\text{UO}_2)_2\text{Si}_2\text{O}_7 \cdot 6\text{H}_2\text{O}$
Brannerite	$(\text{U,Ca,Ce})(\text{Ti,Fe})_2\text{O}_6$
Carnotite	$\text{K}(\text{UO}_2)_2(\text{VO}_4)_2 \cdot 3\text{H}_2\text{O}$
Coffinite	$\text{U}(\text{SiO}_4)_2 \cdot x(\text{OH})_4x$
Curite	$\text{Pb}_2\text{U}_5\text{O}_{17} \cdot 4\text{H}_2\text{O}$
Davidite	$\text{A}_6\text{B}_{15}(\text{O,OH})_{36}$, where A = Fe+2, rare earths, U, Ca, Zr and Th; and B = Ti, Fe+3, V and Cr
Gummite	General term for yellow, orange, red, or brown secondary minerals consisting of mixtures of hydrous oxides of uranium and thorium; an alteration product of uraninite
Irginite	$\text{U}(\text{MoO}_4)_2(\text{OH})_2 \cdot 2\text{H}_2\text{O}$
Johannite	$\text{Cu}(\text{UO}_2)_2(\text{SO}_4)_2(\text{OH})_2 \cdot 6\text{H}_2\text{O}$
Kasolite	$\text{Pb}(\text{UO}_2)_2\text{SiO}_4 \cdot \text{H}_2\text{O}$
Meta-autunite	$\text{Ca}(\text{UO}_2)_2(\text{PO}_4)_2 \cdot 26\text{H}_2\text{O}$
Metatorbernite	$\text{Cu}(\text{UO}_2)_2(\text{PO}_4)_2 \cdot 8\text{H}_2\text{O}$
Meta-uranocircite	$\text{Ba}(\text{UO}_2)_2(\text{PO}_4)_2 \cdot 8\text{H}_2\text{O}$
Phosphuranylite	$\text{Ca}(\text{UO}_2)_4(\text{PO}_4)_2(\text{OH})_4 \cdot 7\text{H}_2\text{O}$
Pitchblende	UO_2
Renardite	$\text{Pb}(\text{UO}_2)_4(\text{PO}_4)_2(\text{OH})_4 \cdot 7\text{H}_2\text{O}$
Sabugalite	$\text{H,Al}(\text{UO}_2)_4(\text{PO}_4)_4 \cdot 16\text{H}_2\text{O}$
Saléeite	$\text{Mg}(\text{UO}_2)_2(\text{PO}_4)_2 \cdot 8\text{H}_2\text{O}$
Sklodowskite	$\text{Mg}(\text{UO}_2)_2\text{Si}_2\text{O}_7 \cdot 6\text{H}_2\text{O}$
Soddyite	$(\text{UO}_2)_5\text{Si}_2\text{O}_9 \cdot 6\text{H}_2\text{O}$
Thorogummite	$\text{Th}(\text{SiO}_4)_2 \cdot x(\text{OH})_4x$ (may contain up to 31.4% U)
Thucholite	A complex of organic matter (hydrocarbons) and uraninite; usually contains thorium
Torbernite	$\text{Cu}(\text{UO}_2)_2(\text{PO}_4)_2 \cdot 8\text{-}12\text{H}_2\text{O}$
Tyuyamunite	$\text{Ca}(\text{UO}_2)_2(\text{VO}_4)_2 \cdot 5\text{-}8\text{H}_2\text{O}$
Umohoite	$(\text{UO}_2)\text{MoO}_4 \cdot 4\text{H}_2\text{O}$
Uraninite	UO_2
Uranophane	$\text{Ca}(\text{UO}_2)_2\text{Si}_2\text{O}_7 \cdot 6\text{H}_2\text{O}$
Xenotime	$(\text{Y,Ce,Th,U})\text{PO}_4$

Source: AGI Glossary of Geology, American Geological Institute, Falls Church, Virginia.

9. PRINCIPAL SOURCES OF INFORMATION

Selected references relating to GTIs' project areas are included in this section. Because of the quantity of published and unpublished literature available on the geology, mineralisation and exploration progress pertinent to the regions, no attempt has been made to compile a comprehensive list. The references listed below are deemed the some of the more important for researching the project areas:

9.1 General References

Bates and Jackson, 3rd edition, Glossary of Geology.

Deer, Howie and Zussman, 2nd edition, The Rock Forming Minerals.

Rich R. A., Holland H. D., and Petersen U, Hydrothermal Uranium Deposits, Developments in Economic Geology 6

9.2 Western Australian References

Regional References

Cooper R.W., Langford R.L. and Pirajno F., 1998, Mineral occurrences and exploration potential of the Bangemall Basin, The Geological Survey of Western Australia; Report 64.

Memoir 3, Geology and Mineral Resources of Western Australia, Geological Survey of Western Australia, 1990.

Martin D. McB., Sheppard S., and Thorne A.M., Geology of the Maroonah, Ullawarra, Capricorn, Mangaroon, Edmund, and Elliot Creek 1:100,000 sheets: Western Australia Geological Survey, 1:100,000 Geological Series Explanatory Notes, Geological Survey of Western Australia.

Occhipinti S.A., Sheppard S., Tyler I.M., Sircombe K.N., Reddy S., Hollingworth D., Martin D. McB., and Thorne A.M., 2003. Proterozoic Geology of the Capricorn Orogen, Western Australia - A Field Guide: Geological Survey of Western Australia, Record 2003/16.

Bali Hi-Pinnacles

Barrack Exploration Pty Ltd, 1987, List of Plans Capricorn Project

Dampier Mining Company Limited, 1974, Temporary Reserve 5761H, Wyloo Western Australia, Final Report on Exploration Undertaken From 4th May 1937 to 3rd May 1974.

Davey G., Taylor K.S., 1983, Annual Report on E08/12 and MC08/84, /91-93, /99, Ashburton Downs, Western Australia, 27 November 1982 to 26 November 1983 Uranerz Australia Pty Ltd.

Iliff G. D., 1978, 1977 Annual Report Casley Joint Venture, Project 872, Mineral Claims 08/84,91,92,99, Esso Exploration and Production Australia Inc.

Novan N, Taylor K S, 1984, Annual Report Exploration Licence 08/12 Ashburton Downs Western Australia, 27 November 1983 to 26 November 1984, Uranerz Australia Pty Ltd.

Pickands Mather and Co International, 1967, Preliminary Report Ashburton Temporary Reserve 4352H.

Prentice I., 1987, Report to the Department of Mines on the Capricorn Project Field Program, July 1987, Barrack Exploration Pty Ltd.

Prentice I., 1988, Report to the Department of Mines on the Field Program of July-August 1988; P08/221-225, E08/85, and M08/67, Capricorn, Barrack Exploration Pty Ltd.

RSG Global, 2006, Bali Hi Prospect, Reconnaissance Mapping and Geology of the Bali Hi Tenement, Globe Uranium Ltd.

Telakowska Z., 1989, Report to the Department of Mines on the Field Program of October-November 1989; P08/221-225, E08/85, and M08/67, Capricorn Project, Barrack Exploration Pty Ltd.

The Broken Hill Proprietary Company Limited, 1974, Mineral Claims 08/2226, 2265,2266, 2330, 2331 Hooley Camp WA, Exploration Results 1974.

Cambridge Creek

Afmeco Pty Ltd, 1977, Gascoyne Province, TR 5783H (Wongida) Results of the 1976 Drilling Program, Final Report.

Broken Hill Co. Pty Ltd, Temporary Reserve 5761H, Final Report on Exploration Undertaken from 4th May, 1973 to 3rd May 1974.

Broken Hill Co. Pty Ltd, 1974, Mineral Claims 08/2226, /2265, /2266, /2330, /2331, Hooley Camp W.A., Exploration Results, 1974.

Pacquet A., 1974, Gascoyne Bangemall Area, TR 5783H Field Work Report, 1974 Annual Report, Afmeco Pty Ltd.

Koehn P., Kwitko G., 1975, Gascoyne Bangemall Area, TR 5783H Field Work Report, 1975 Annual Report, Afmeco Pty Ltd.

Kwitko G., Lemar R., 1976, Gascoyne Province, TR 5783H (Wongida) 1976 Drilling Program, Annual Report, Afmeco Pty Ltd.

Yangibana

Challenger Mining Group Ltd and Hurlston Pty Ltd, Yangibana Bore REE Exploration, Gascoyne Goldfield, WA.

Cliffs International Inc, Assessment Report on the Gifford Creek Prospect, MCs 09/3339-3345, Gascoyne Goldfield, WA.

Wong N., Stewart J., 1973, Annual Report 1973 on Mineral Claims 09/1026-1029, 1036-1037, Yangibana Radiometric Prospect, Gascoyne Goldfield, WA, Noranda Australia Ltd.

Conical Hill

Abeyasinghe P.B., 2005. Mineral occurrences and exploration potential in the Earraheedy Area, Western Australia: Geological Survey of Western Australia, Report 96, 82p.

Cooper R.W., 1989, Final Report on ELs69/313-318 Lake Teague Area, BHP-Utah Minerals International.

Lindeman W.L., 1972, Final Report for MC69/817 and MC69/907, Esso Australia Ltd.

Pirajno F., Jones J. A., Hocking R. M., Geology of the Nabberu and Granite Peak 1:100 000 Sheets, Geological Survey of Western Australia

Tambourah

Ferguson K M and Ruddock I, 2001, Report 81, Mineral Occurrences and Exploration Potential of the East Pilbara, Geological Survey of Western Australia

Hickman A, 1983, Geology of the Pilbara Block and its Environs, Bulletin 127, Geological Survey of Western Australia

Romanoff A, 1989, Tambourah South Prospect 45/1564, East Pilbara District Western Australia, Exploration Report to 20th October 1989, Auridiam N. L.

Romanoff A, 1991, Tambourah Gold Prospect PL45/1564, Exploration Progress Report 1991, Auridiam N. L.

Terex Resources N. L., Exploration of Soansville West and Tambourah, Pilbara

Van Kranendonk M. J, 2003, Geology Of The Tambourah 1:100,000 Sheet, Geological Survey of Western Australia

8. INVESTIGATING ACCOUNTANT'S REPORT



STANTON PARTNERS CORPORATE PTY LTD

A.C.N 063 036 331

1 HAVELOCK STREET
WEST PERTH 6005
WESTERN AUSTRALIA

TELEPHONE: (08) 9481 3188

FACSIMILE: (08) 9321 1204

e-mail: jvdieren@stanton.com.au

20 June 2007

The Directors
GTI Resources Ltd
13 Colin Street
WEST PERTH WA 6005

Dear Sirs

RE: INVESTIGATING ACCOUNTANT'S REPORT

1. Introduction

This report has been prepared at the request of the Directors of GTI Resources Ltd ("GTI" or "the Company") for inclusion in a Prospectus to be dated on or around 22 June 2007 ("the Prospectus") relating to the proposed issue by GTI of 15,000,000 shares at 20 cents each to raise \$3,000,000. The maximum subscription is \$4,000,000 (20,000,000 shares).

2. Basis of Preparation

This report has been prepared to provide investors with information on historical results, the assets and liabilities of GTI and the pro-forma assets and liabilities (balance sheet) of GTI as noted in Appendices 1 to 3. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial reports in accordance with the Corporations Act 2001. This report does not address the rights attaching to the securities to be issued in accordance with the Prospectus, nor the risks associated with the investment. Stanton Partners Corporate Pty Ltd has not been requested to consider the prospects for GTI, the securities on offer and related pricing issues, nor the merits and risks associated with becoming a shareholder and accordingly, has not done so, nor purports to do so. Accordingly, Stanton Partners Corporate Pty Ltd takes no responsibility for those matters or for any matter or omission in the Prospectus, other than responsibility for this report. Risk factors are set out in Section 10 of the Prospectus.

3. Background

GTI was incorporated on 5 April 2007 with three shares issued. In April 2007, the Company issued 9,000,000 shares at 0.01 cents each to the promoters of the Company to raise a gross \$900. In June 2007, the Company issued a further 3,000,000 shares at 10 cents each to various seed capitalists to raise \$300,000. In April 2007, the Company issued 4,500,000 share options exercisable at 30 cents each on or before 19 December 2009 and 4,500,000 share options exercisable at 40 cents each, on or before 19 December 2011. The share and option holding of each director is set out elsewhere in the prospectus. The share options have been valued at a total of \$339,456 using the Black Scholes option valuation model.

In April 2007, the Company entered into a conditional (subject to an Australian Securities Exchange ('ASX') listing being achieved) Tenement Sale Agreement with Globe Uranium Limited ("Globe") for GTI to acquire a 90% or 100% interest in an uranium exploration licence and applications for exploration licences. The consideration is made up of \$50,000 cash (non refundable deposit that has been paid) and the issue of 2,000,000 shares at a deemed value of 20 cents per share (issued on obtaining conditional approval for an ASX listing). The remaining 10% of granted licence E08/1372 is held by International Goldfields Limited ("IGL") who is to be free carried through to completion of a decision to mine at which time IGL must elect to contribute or dilute to a \$1/dry tonne mined and milled royalty. The \$50,000 has been disclosed in the 30 April 2007 balance sheet as part of capitalised acquisition costs.

In June 2007, the Company entered into a conditional Tenement Sale Agreement with Wombola Gold Pty Ltd ("Wombola") for GTI to acquire a 90% interest in various gold prospecting licences (subject to an Australian Securities Exchange ('ASX') listing being achieved). The consideration is made up of \$20,000 cash (non refundable deposit that has been paid) and the issue of 500,000 shares at a deemed value of 20 cents per share (issued on obtaining conditional approval for an ASX listing).

In May 2007, the Company entered into a conditional (subject to an Australian Securities Exchange ('ASX') listing being achieved) Tenement Sale Agreement with Vistarise Limited ("Vistarise") for GTI to acquire a 100% interest in various uranium exploration licences. The consideration is made up of \$10,000 cash (non refundable deposit that has been paid), the issue of 500,000 shares at a deemed value of 20 cents per share (issued on obtaining conditional approval for an ASX listing) and the payment of a royalty in the sum of 1.75% based on net smelter return on any mineral production from within the tenements acquired from Vistarise.

In June 2007, the Company has entered into an executive services agreement with Greg Down ("Down") for Down to act as a Director of GTI at a first year salary of \$150,000 plus statutory superannuation of 9%. The contract is for two years and is effective from 1 June 2007. The Company has entered into an agreement with Murray McDonald ("McDonald") for McDonald to act as Executive Chairman of GTI at a first year salary of \$170,000 plus superannuation of 10% and payment of \$800 per month relating to a motor vehicle lease. The term is for a three year period with an option for a further three year period.

Potential investors should read the Prospectus in full. The prospectus includes an Independent Geologist's Report (Section 7 of the Prospectus) and a Solicitor's Report on Tenements (Section 9 of the Prospectus). We make no comments as to ownership or values of the mineral tenement interests of GTI owned or to be acquired. Further details on all material contracts are set out in Section 11 of the Prospectus.

4. Scope of Examination

You have requested Stanton Partners Corporate Pty Ltd to prepare an Investigating Accountant's Report on the:

- (i) The results (income statement) of GTI from incorporation to 30 April 2007;
- (ii) The balance sheet of GTI as at 30 April 2007; and
- (iii) The pro-forma balance sheet of GTI at 30 April 2007 adjusted to include funds to be raised by the Prospectus and the completion of transactions referred to in note 2 of Appendix 3.

The financial information referred to above has not been audited, but has been subject to audit review. The directors of GTI are responsible for the preparation and presentation of the historical and pro-forma financial information, including the determination of the pro-forma transactions. We have however examined the financial statements and other relevant information and made such enquiries, as we considered necessary for the purposes of this report. The scope of our examination was substantially less than an audit examination conducted in accordance with Australian Auditing Standards and accordingly, we do not express such an opinion. Our examination included:

- (i) discussions with the directors of GTI;
- (ii) a review of contractual arrangements;
- (iii) a review of publicly available information; and
- (iv) a review of work papers, accounting records and other documents.

5. Opinion

In our opinion, the pro-forma balance sheet as set out in Appendix 2 presents fairly, the pro-forma Balance Sheet of GTI as at 30 April 2007 in accordance with the accounting methodologies required by Australian Accounting Standards on the basis of assumptions and transactions set out in Appendix 3. No opinion is expressed on the historical results, as shown in Appendix 1, except to state that nothing has come to our attention that would require any further modification to the financial information in order for it to present fairly the results of the periods identified. To the best of our knowledge and belief, there have been no other material items, transactions or events subsequent to 30 April 2007 that have come to our attention during the course of our review which would cause the information included in this report to be misleading.

6. Other Matters

At the date of this report, Stanton Partners Corporate Pty Ltd does not have any material interest in GTI either directly or indirectly, or in the outcome of the offer. Stanton International Pty Ltd, a firm associated with Stanton Partners Corporate Pty Ltd was appointed as auditors of GTI in April 2007. Stanton Partners Corporate Pty Ltd and its affiliated companies were not involved in the preparation of any other part of the Prospectus, and accordingly, make no representations or warranties as to the completeness and accuracy of any information contained in any other part of the Prospectus. Stanton Partners Corporate Pty Ltd consents to the inclusion of this report (including Appendices 1 to 3) in the Prospectus in the form and content in which it is included. At the date of this report, this consent has not been withdrawn.

Yours faithfully



STANTON PARTNERS CORPORATE PTY LTD
J P Van Dieren FCA - Director

INVESTIGATING ACCOUNTANT'S REPORT

APPENDIX 1 - INCOME STATEMENT

	Unaudited to 30 April 2007 \$
Operating Revenue- interest	-
Administration costs	11,004
Share based payments (options)	339,456
Exploration costs written off	-
Net (loss) before tax	(350,460)
Income tax expense attributable to net loss	-
Net (loss) after tax	(350,460)

APPENDIX 2 - UNAUDITED BALANCE SHEETS

	Note	Unaudited Company 30 April 2007 \$	Unaudited Pro-forma Company 30 April 2007 \$
Current Assets			
Cash and cash equivalents	3	896	2,785,886
Total Current Assets		896	2,785,886
Non Current Assets			
Acquisition expenditure	4	50,000	704,000
Total Non Current Assets		50,000	704,000
Total Assets		50,896	3,489,886
Current Liabilities			
Trade and other payables	5	61,000	-
Total Current Liabilities		61,000	-
Net Assets (Deficiency)		(10,104)	3,489,886
Equity			
Issued capital	6(a)	900	3,482,290
Share option reserve	6(b)	339,456	393,056
Accumulated losses	7	(350,460)	(385,460)
Total Equity (Deficiency)		(10,104)	3,489,886

To be read in conjunction with Appendix 3

INVESTIGATING ACCOUNTANT'S REPORT

APPENDIX 3

NOTES TO THE UNAUDITED INCOME STATEMENT AND BALANCE SHEETS

1. Statement of Significant Accounting Policies

(a) Basis of Accounting

The unaudited Income Statement and unaudited Balance Sheets have been prepared in accordance with applicable accounting standards, the Corporations Act 2001 and Australian equivalents of International Financial Reporting Standards ("A-IFRS") and we have made such disclosures as considered necessary. They have also been prepared on the basis of historical cost and do not take into account changing money values.

(b) Income Tax

The Company adopts the balance sheet method of tax effective accounting in accordance with the Australian Equivalent of International Financial Reporting Standards pertaining to Income Tax. Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless they are highly probable of realisation of the benefit. The amount of benefits brought to account or which may be realised in the future are based on the assumption that no adverse change will occur in income tax legislation, the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and that the Company will comply with the conditions of deductibility imposed by the law.

(c) Exploration, evaluation and acquisition expenditure

Acquisition, exploration and evaluation costs are accumulated in respect of each separate area of interest. Costs are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated acquisition costs in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and accumulated acquisition costs written off to the extent that they will not be recoverable in the future. Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until production commences. Notwithstanding the fact that a decision not to abandon an area of interest has been made, based on the above, the exploration and evaluation expenditure in relation to an area of interest may still be written off if it is considered appropriate to do so.

(d) Trade and Other Payables

Trade and other payables represent the principal amounts outstanding at balance date, plus, where applicable, any accrued interest.

(e) Recoverable Amount of Non Current Assets

The carrying amounts of non current assets are reviewed annually by Directors to ensure they are not in excess of the recoverable amounts from those assets. The recoverable amount is assessed on the basis of the expected net cash flows, which will be received from the assets employed and subsequent disposal. The expected net cash flows are discounted to present values in determining recoverable amounts.

(f) Operating Revenue

Revenue represents interest received and reimbursements of exploration expenditures.

(g) Issued Capital

Issued capital is recognised at the fair value of the consideration received by the Company. Any transaction costs on the issue of shares are recognised directly in equity as a reduction of the share proceeds received.

(h) Equity Based Compensation

The Company expenses equity based compensation such as share and option issues after ascribing a fair value to the shares and/or share options issued. If share options vest at date of grant, the expense is taken up at date of grant and a corresponding Share Option Reserve is credited.

(i) Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave.

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on the remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the market yield as at the reporting date on national government bonds, which have terms to maturity approximating the terms of the related liability, are used.

(j) Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

(k) Interest in Joint Ventures

The Company's share of the assets, liabilities, revenue and expenses of joint venture operations will be included in the appropriate items of the income statement and balance sheet. The Company's interest in joint venture entities will be brought to account using the equity method of accounting in the financial statements.

(l) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets.

Depreciation

The depreciable amount of all fixed assets is depreciated on a diminishing value basis over their useful lives to the Company commencing from the time the asset is held ready for use.

2. Actual and Proposed Transactions to Arrive at Pro-forma Unaudited Balance Sheet

Actual and proposed transactions adjusting the 30 April 2007 unaudited Balance Sheet of GTI in the pro-forma Balance Sheet of GTI are as follows:

- (a) The issue of 3,000,000 shares in June 2007 to seed capitalists at 10 cents each to raise a gross \$300,000;
- (b) The completion of the acquisition of mineral tenements from Globe by way of the payment of \$50,000 (accrued as at 30 April 2007) and the issue of 2,000,000 shares at a deemed value of 20 cents each (total consideration \$450,000);
- (c) The acquisition of mineral tenements from Wombola by way of the payment of \$20,000 (accrued as at 30 April 2007) and the issue of 500,000 shares at a deemed value of 20 cents each (total consideration \$120,000);
- (d) The acquisition of mineral tenements from Vistarise by way of the payment of \$10,000 (accrued as at 30 April 2007) and the issue of 500,000 shares at a deemed value of 20 cents each (total consideration \$110,000);
- (e) The issue of 15,000,000 ordinary shares at 20 cent each pursuant to the Prospectus to raise a gross \$3,000,000;
- (f) The repayment of 30 April 2007 payables totalling \$61,000;

- (g) The incurring of capital raising costs of \$365,010 and expensed against share equity and the issue of 1,000,000 share options to the underwriter at a deemed value of \$53,600;
- (h) The payment of further administration costs estimated at \$35,000; and
- (i) The payment of statutory costs (including stamp duty) on acquisitions not expected to exceed \$24,000.

		Unaudited Company 30 April 2007	Unaudited Pro-forma Company 30 April 2007
		\$	\$
3. Cash and Cash Equivalents			
The movements in cash at bank and on hand are as follows:			
Unaudited 30 April 2007		896	896
Issue of seed capitalist shares	(a)	-	300,000
Payment for tenements	(c)(d)	-	(30,000)
Issue of shares pursuant to the prospectus	(e)	-	3,000,000
Repayment of payables	(f)	-	(61,000)
Capital raising costs	(g)	-	(365,010)
Administration and statutory costs	(h)(i)	-	(59,000)
		<u>896</u>	<u>2,785,886</u>
4. Capitalised Mineral Acquisition Costs			
Balance as at 30 April 2007		50,000	-
Acquisition costs	(b)(c)(d)	-	680,000
Stamp duty	(i)	-	24,000
		<u>50,000</u>	<u>704,000</u>
5. Trade and Other Payables			
Owing as at 30 April 2007		61,000	61,000
Less: Repayment of payables	(f)	-	(61,000)
		<u>61,000</u>	<u>-</u>
		Unaudited Company 30 April 2007	Unaudited Pro-forma Company 30 April 2007
		\$	\$
6. Issued Capital			
a) Share Capital			
3 shares on incorporation		-	-
9,000,000 shares to promoters	(a)	-	900
3,000,000 shares to seed capitalists	(a)	-	300,000
2,000,000 shares to Globe	(b)	-	400,000
500,000 shares to Wombola	(c)	-	100,000
500,000 shared to Vistarise	(d)	-	100,000
15,000,000 shares at 20 cents each pursuant to the Prospectus	(e)	-	3,000,000
			<u>3,900,900</u>
Less: share issue costs	(g)		(418,610)
Pro-forma (30,000,003 shares)	-		<u>3,482,290</u>

In the event that the Maximum Subscription is achieved accepted pursuant to the Prospectus (\$4,000,000), the number of shares would increase to 35,000,003, the issued capital would increase by \$940,000 (assuming total capital raising costs of \$478,010 relating to the IPO) to \$4,422,290 and cash assets would increase to \$3,725,886.

b) Share Options

The Company issued 4,500,000 share options exercisable at 30 cents each, on or before 19 December 2009 ("2009 Options") and 4,500,000 share options exercisable at 40 cents each, on or before 19 December 2011 ("2011 Options"). The directors have valued the two classes of share options using the Black Scholes option valuation methodology at approximately 3.178 cents each for the 2009 Options and approximately 4.365 cents each for the 2011 Options. The assumptions issued in valuing the Options included an assumed a fair market price at date of issue based on seed capital raisings of 10 cents, a risk free interest rate of 6.25% a volatility factor of 110% and a discount for the risk that the initial public offering will be delayed or not proceed and a discount to reflect the non listed status of the Options. The total discount was 30%. The total value of the Options has been assessed at \$339,456 and such value expensed to the income statement and a share option reserve created of \$339,456.

The Company is proposing to issue a further 1,000,000 share options to the underwriter to the issue and such options will be exercisable at 30 cents on or before 19 December 2009. The fair value of the 1,000,000 share options using the Black Scholes option valuation methodology and assuming a share price of 20 cents, an interest rate of 6%, a volatility factor of 70% and a discount to reflect the unlisted status of the options is \$53,600. This sum is treated as part of capital raising costs and a credit created to the Share option reserve.

	Unaudited Company 30 April 2007	Unaudited Pro-forma Company 30 April 2007
	\$	\$
7. Accumulated Losses		
Accumulated losses as at 30 April 2007	350,460	350,460
Administration costs (h)	~	35,000
Accumulated losses (pro-forma)	<u>350,460</u>	<u>385,460</u>

8. Contingent Liabilities and Commitments

The Company's mining tenements may be subject to Native Title applications in the future. At this stage it is not possible to quantify the impact (if any) that Native Title may have on the operations of the Company. The Solicitor's Report On Tenements in Section 9 of the Prospectus refers to native title issues. Other than royalties that may become payable, the above commitments and contingencies and the exploration commitments referred to in Sections 3.4 and 5.3 of the Prospectus, the Directors of GTI consider that there are no other material contingencies or commitments outstanding as at 30 April 2007 or at the date of this report.

9. Exploration Commitments

For details on proposed exploration commitments on the mineral tenements, refer to Sections 3.4 and 5.3 of the Prospectus and the Independent Geologist's Report included in Section 7 of the Prospectus.

10. Rental of Premises Commitments

The Company has entered into a sub rental of premises agreement to rent premises for three years and is to share the premises with another listed mining company. The first year's fee payable by GTI is \$46,475 plus GST and a share of variable outgoings.

11. Management Contracts

The Company has entered into an employment agreement with Down to act as a director at an annual salary of \$150,000 plus statutory superannuation. The contract is for two years and is effective from 1 June 2007. The Company has entered into an agreement with McDonald for McDonald to act as Executive Chairman of GTI at a first year salary of \$170,000 plus superannuation of 10%, payment of up to \$800 per month relating to a motor vehicle lease and the Company paying associated fringe benefits tax. The term is for a three year period with an option for a further three year period. The minimum increase in salary after year one is 10%.

9. SOLICITORS' REPORT ON TENEMENTS

STEINEPREIS PAGANIN
Lawyers & Consultants



Level 4, Next Building
16 Milligan Street
Perth WA 6000
GPO Box 2799
Perth WA 6001
Telephone: +61 8 9321 4000
Facsimile: +61 8 9321 4333
Web: www.steinpag.com.au

20 June 2007

The Board of Directors
GTI Resources Ltd
13 Colin Street
WEST PERTH WA 6005

Dear Sirs

SOLICITORS' REPORT ON TENEMENTS

This report is prepared for inclusion in a prospectus to be issued by GTI Resources Ltd (GTI) on or about 22 June 2007 (Prospectus).

1. ASSETS

As at the date of this report, GTI Resources Ltd (**GTI** or **Company**), has entered into a number of agreements pursuant to which GTI has agreed to purchase interests in various granted mining tenements and in various applications for the grant of mining tenements located in Western Australia. GTI has also applied for a number of mining tenements in Western Australia on its own behalf. All granted mining tenements and all applications are collectively referred to in this report as the **Tenements**.

A schedule of the Tenements is attached to and forms part of this report (**Schedule**). Part I of the Schedule contains a list of the Tenements. Part II of the Schedule contains a summary of the status of the native title claims existing over the Tenements. Part III of the Schedule contains a summary of the agreements relating to the Tenements.

2. SEARCHES

For the purposes of this report, we have conducted searches and made enquiries in respect of all the Tenements as follows:

- (a) we have reviewed searches of the Tenements in the registers maintained by the Western Australian Department of Industry and Resources (**DIR**). These searches were conducted on 9 and 28 May and 8 June 2007;
- (b) we have reviewed searches of the Tenements from the National Native Title Tribunal (**NNTT**) to determine if any native title claims are registered over the area of the Tenements. These searches were conducted on 8 and 30 May and 8 June 2007;
- (c) we have reviewed searches from the database of registered aboriginal sites maintained by the Department

- of Indigenous Affairs (**DIA**) in respect of aboriginal sites registered against the Tenements. These searches were conducted on 14 and 30 May 2007 and 8 June 2007; and
- (d) we have reviewed all material agreements relating to the Tenements (**Agreements**) and summarised the material terms (details of which are set out in Part III of the Schedule).

The Company's rights in respect of various Tenements depends on the enforceability of the Agreements and the parties to the Agreements complying with and fulfilling the terms and conditions of such Agreements. We have advised GTI to lodge a caveat in respect of any Tenements where the Company is not recorded as the registered holder to protect its equitable interest in the Tenements.

On the basis of the searches conducted and our review of the Agreements, subject to the enforceability of such Agreements, we consider that this report (and the Schedule) provides an accurate statement as to the status of the Tenements as at the date the relevant searches were obtained.

3. OPINION

As a result of our searches and enquiries, but subject to the assumptions and qualifications set out below, we are of the view that, as at the date of the relevant searches:

- (a) the details of the Tenements included in this report are accurate as to the status of the Tenements and the Company's interest in the Tenements;
- (b) where title to a Tenement has not been granted or an application for extension of a term of a Tenement is pending, that fact is disclosed in the Schedule;
- (c) all applicable rents due under the *Mining Act 1978 (WA)* (**Mining Act**) in respect of the Tenements have been paid, unless otherwise noted in the Schedule; and
- (d) the valid grant of any of the current applications for Tenements which may affect native title will require compliance with the applicable processes of the *Native Title Act 1993* as amended by the *Native Title Amendment Act 1998 (Cth)* (which are together referred to as the **NTA**).

4. WA TENEMENTS

The Tenements comprise exploration and prospecting licences granted or applied for under the Mining Act.

(a) Exploration Licence

The rights of the holder of an exploration licence are set out in Section 66 of the Mining Act and include the right to enter the land and undertake operations for the purposes of exploration for minerals. Exploration licences granted or applied for before 10 February 2006 remain in force for a term of 5 years. The Minister for State Development (**Minister**) may extend the term by a further period or periods of 1 or 2 years. Exploration licences granted or applied for after 10 February 2006 have a term of 5 years and may be extended for a further 5 years followed by a further period or periods of 2 years.

An exploration licence, or a legal or equitable interest in or affecting an exploration licence, cannot be assigned during the first year of its term without the prior written consent of the Minister. Thereafter, there is no restriction on assignment.

The holder of an exploration licence granted or applied for before 10 February 2006 must relinquish not less than half of the blocks comprising the licence at the end of the third year. A further relinquishment of not less than half of the remaining blocks is required at the end of the fourth year. The holder of an exploration licence granted or applied for after 10 February 2006 must relinquish not less than 40% of the blocks comprising the licence at the end of the fifth year.

Section 105A(3) of the Mining Act provides that, where 2 or more applicants comply with the initial requirement in relation to their applications at the same time, priority shall, unless written agreement is concluded by the applicants and lodged at the office of mining registrar within the prescribed time, be determined by ballot conducted by the warden in open court on a date to be determined by the warden and notified to the applicants.

Regulation 70B of the *Mining Regulations 1981* provides that a written agreement referred to in section 105A(3) of the Mining Act shall be lodged within 60 days of the day on which the applications for licences were lodged.

(b) Prospecting Licence

The rights of the holder of a prospecting licence are set out in Section 45 of the WA Mining Act. A prospecting licence, which was granted or applied for before 10 February 2006, is restricted to a fixed term of 4 years. The holder of a prospecting licence which is due to expire before 10 February 2007, will be able to apply for a new prospecting licence over the same land. Prospecting Licences applied for after 10 February 2006, if granted, will have a term of 4 years with a provision for one further period of 4 years. If the prospecting licence has a "retention status" the term may be extended for a further 4 years.

There is no restriction on assignment of a prospecting licence.

(c) Generally Applicable Conditions

Mining tenements are granted subject to various conditions prescribed by the Mining Act including payment of rent, compliance with minimum expenditure and meeting reporting requirements.

The standard conditions that apply to the Tenements include environmental conditions. The Tenements are also subject to statutory requirements of certain other Acts, including Aboriginal heritage legislation, environmental protection legislation and rights in water legislation. These standard conditions are not detailed in the Schedule.

(d) Specific Conditions

Specific conditions applicable to the individual Tenements are detailed in the notes to Part I of the Schedule.

(e) Encumbrances

Encumbrances applicable to the individual Tenements are detailed in the table of Tenements in Part 1 of the Schedule.

5. ABORIGINAL SITES

Tenements in Western Australia are granted subject to an endorsement reminding the tenement holder of its obligation to comply with the requirements of the *Aboriginal Heritage Act 1972 (WA)* (**Heritage Act**).

The Heritage Act (section 18) protects sites and areas of significance to Aboriginal persons. The Minister's consent is required where any use of land is likely to result in the excavation or other alteration of or damage to an Aboriginal site or any objects on or under that site.

Although Aboriginal sites may be registered under the Heritage Act, the Act protects all Aboriginal sites whether registered or not. The existence of sites is largely known only to Aboriginal people and most sites are not registered. We have accessed the database of registered Aboriginal sites maintained by the Department of Indigenous Affairs (**DIA**). This database indicates that there are no registered Aboriginal sites on or in the vicinity of the Tenements. There may however be unregistered sites in these areas.

A practical method of minimising the danger of unintentional disturbance of a site is to undertake an Aboriginal heritage survey with local Aboriginal communities before the commencement of land disturbing activities. This is an informal process because the Heritage Act does not actually prescribe a mechanism for identifying Aboriginal sites. Prior to the Minister giving consent under Section 18 of the Heritage Act, an evaluation of the site and a recommendation must first be made by the Aboriginal Cultural Materials Committee. Under DIA guidelines, a proponent must undertake an Aboriginal heritage survey and consult with traditional owners before making an application for consent.

The *Aboriginal and Torres Strait Islander Heritage Protection Act 1984 (Cth)* (**Heritage Protection Act**) affords additional protection to Aboriginal sites in Western Australia. It allows declarations to be made which protect or preserve objects or areas which are of significance to Aboriginals, whether situated on private or Crown land. A protection order may be issued even if the State Minister has given consent to land use under Section 18 of the Heritage Act.

Two types of declarations may be made in relation to significant Aboriginal objects or Aboriginal areas (being objects or areas of significance to Aboriginals in accordance with Aboriginal tradition) under the Heritage Protection Act:

- (a) emergency declarations of preservation which remain in force for a maximum of 60 days; and
- (b) declarations of preservation (which remain in force for the terms specified in the declarations).

Before making a permanent declaration in relation to an area, the Minister for Aboriginal Affairs must commission a report on the area, which addresses specific matters such as the significance of the area, the extent of the area to be protected and the effects of the declaration on any non-Aboriginal interests in the land. Compensation is payable by the Minister for Aboriginal Affairs to a person who is, or is likely to be, affected by a permanent declaration of preservation.

It is an offence to contravene a declaration made under the Heritage Protection Act.

In respect of any sites which may be identified on any of the Tenements, the Company needs to ensure that any interference with such sites is in strict conformity with the provisions of the Heritage Act.

6. NATIVE TITLE – MABO AND NATIVE TITLE LEGISLATION

The *Racial Discrimination Act 1975 (Cth) (RDA)* was enacted by the Federal Parliament in 1975. It made racial discrimination unlawful. The RDA is binding on the State of Western Australia.

On 3 June 1992, the High Court of Australia held in *Mabo v. Queensland (no.2) (1992) 175 CLR 1 (Mabo #2)* that the common law of Australia recognises a form of native title which reflects the entitlements of Aboriginal people to their traditional lands in accordance with their traditional laws and customs. In order to succeed in a native title claim the persons making such claim must show that they enjoy certain customary rights and privileges in respect of a particular area of land and that by these rights and privileges they have a connection with that land.

In *Mabo #2*, the High Court held that native title could be extinguished through loss of traditional connection with the land or by legislative or executive actions which are inconsistent with the continued right to enjoy native title. In particular, native title may be extinguished by the State:

- (a) granting a title or interest in land, such as a freehold or leasehold title; or
- (b) appropriating or reserving and using land for a public purpose such as public works,

which is inconsistent with the continued right to enjoy native title in respect of the same land. Extinguishment may be whole or partial depending upon the nature of the State's action. The principles concerning extinguishment have been developed in subsequent High Court and Federal Court decisions.

The grant of a mining tenement only partially extinguishes native title rights and interests. Under section 44H of the NTA and at common law, the rights held under mining tenements will prevail over any inconsistent native title rights. In the case of exploration licences, recent court decisions have held that there is considerable scope for the co-existence of native title rights and the exploration licensee's rights.

The Commonwealth Parliament responded to the Mabo decision by passing the *Native Title Act 1993 (Cth)*. This Act enabled a State Parliament to validate any mining tenements granted prior to its commencement which might otherwise have been invalid by reason of the RDA. The *Native Title Act 1993* was extensively amended by the *Native Title Amendment Act 1998 (Cth)*. These amendments include the ability of a State Parliament to validate any titles which may have been invalidly granted over pastoral leases and certain other leasehold interests during the period 1 January 1994 to 23 December 1996. The State of Western Australia has enacted the validating legislation contemplated by the NTA: the *Titles (Validation) and Native Title (Effect of Past Acts) Act 1995* as amended by the *Titles (Validation) and Native Title (Effect of Past Acts) Amendment Act 1999*.

7. NATIVE TITLE – NATIVE TITLE CLAIMS

Persons claiming to hold native title may lodge an application for determination of native title with the Federal Court. The Court will then refer the application to the Native Title Registrar for the registration test.

If the Native Title Registrar is satisfied that the lodged claim meets the registration requirements set out in the NTA (**Registration Test**), it will be entered on the Register of Native Title Claims maintained by the National Native Title

Tribunal (**Register**). Claimants of registered claims are afforded certain procedural rights under the NTA including the "right to negotiate".

Claims which fail to meet the Registration Test are recorded on the Schedule of Applications Received. Such claims may be entered on the Register at a later date if additional information is provided by the claimant that satisfies the Registration Test. If a claim fails to meet the Registration Test, this only means that the native title claimants do not have access to the future act procedures under the NTA. It does not mean that the claim has been dismissed or discontinued. An unregistered claim must still be heard and determined by the Federal Court.

Some of the Tenements relate to land which is currently the subject of one or more registered native title claims. These claims are identified in Part II of the Schedule.

We have not undertaken the considerable historical, anthropological and ethnographic work that would be required to determine the likelihood that existing claims may be successful, or the possibility of any further native title claims being made in the future.

In any event, the existence of native title is not the main issue for the Company as the purchaser of the Tenements. The main issue is the existence of a registered native title claim. That effectively requires the Company to observe the provisions of the NTA in proceeding with its applications for Tenements. The reason for this is that an act which affects native title rights such as the grant of a mining tenement may be invalid unless there has been compliance with the provisions of the NTA. Until the native title claim has been determined by the Federal Court the existence of native title will be uncertain. Prudence dictates that native title should be assumed to exist over all claimed land other than freehold, "exclusive possession" leasehold or vested reserve until the claim has been determined.

8. NATIVE TITLE – VALIDITY OF TITLES

(a) Tenements granted since 23 December 1996

Mining tenements granted since 23 December 1996 may be invalid if they were granted over land other than freehold, "exclusive possession" leasehold or vested reserve and the applicable processes prescribed by the NTA were not complied with. We understand that it has been the practice of the State Government since 23 December 1996 to comply with these processes subject to certain cases between July 2000 and February 2001 where the Minister granted mining tenements over enclosed or improved pastoral leasehold land relying on *WA v Ward* (2000) 170 ALR 159 (since overruled by the High Court on this point).

The following Tenements have been granted since 23 December 1996 (although not between July 2000 and February 2001):

Holder	Tenements
Globe Uranium Limited 90/100 Cape Lambert Iron Ore Ltd 10/100	E08/1372
Vistarise Ltd	E09/1043 E09/1049
Wombola Gold Pty Ltd 90/100 Peter van der Borgh 10/100	P45/2521 P45/2522 P45/2523 P45/2524

So in summary, on the basis that the procedural requirements of the NTA were complied with prior to their grant, the above Tenements are valid so far as native title is concerned.

(b) Future Tenement Grants

The valid grant of any of the current applications for Tenements which may affect native title requires compliance with the provisions of the NTA.

The NTA regulates all future actions (such as the grant of a mining tenement) which affect native title rights. These actions are known as "future acts". A future act will be valid if it falls within one of a number of categories of land dealings specified in the NTA provided that there is compliance with the applicable procedural requirements: NTA Part 2, Division 3, Subdivisions B-P.

Accordingly, if the grant of any of the current applications for Tenements affects native title, the grant will be a future act and will be valid only if there has been compliance with the relevant requirements of the NTA. In order to determine whether the grant of any of the current applications will affect native title, a determination must be made as to whether the native title exists in the area. This will require a hearing by the Federal Court (or a consent determination) as to the existence of native title, which could take years. However, in the interim, the validity of the grant of the current applications for Tenements can be assured if the State and the applicants for the Tenements comply with the requirements of the NTA on the assumption that native title does in fact exist in the area.

These requirements are known as the "right to negotiate procedures". They are contained in Part 2 Division 3 Subdivision P of the NTA. They involve the notification and advertising of a proposed grant, negotiation by the State and the tenement applicant with any registered native title claimants and, if agreement cannot be reached, determination by the National Native Title Tribunal.

In the case of low impact mining tenements, the State may nominate that the NTA expedited procedure applies. As a general practice, the State of Western Australia nominates the expedited procedure in relation to exploration licences. If the registered native title claimants do not object to the expedited procedure within four months after receiving notification of the proposed act, the grant may proceed. If they do object and the objection is upheld by the National Native Title Tribunal, the right to negotiate procedure applies.

Tenements may also be validly granted under an Indigenous Land Use Agreement (Subdivisions B, C and D of the NTA) which must be entered into with all the registered native title claimants for the area and registered under the NTA.

The following Tenements are current applications:

Holder	Tenements
GTI Resources Ltd	ELA 69/2400
	ELA 08/1793
	ELA 08/1792
	ELA 08/1798
Globe Uranium Limited	ELA 69/2119
	ELA 08/1561

9. PRE-EMPTIVE RIGHTS AND CONSENT ISSUES

Two of agreements relating to the Tenements provide that the assignment of a party's interest is subject to pre-emptive rights.

Further details of the material contracts relating to the Company and the agreements containing such pre-emptive rights requirements are set out in Part III of the Schedule to this Report.

10. QUALIFICATIONS

While the status of the Tenements is dealt with in the Schedule, we point out, by way of summary, that:

- (a) we have assumed the accuracy and completeness of all Tenement searches and other information or responses which were obtained from the relevant department or authority. We cannot comment on any

obligations of the Company that may arise from agreements that are not registered as a dealing, encumbrance or otherwise noted on the searches of the Tenements obtained from the DIR;

(b) the holding of the Tenements is subject to compliance with the terms and conditions and the provisions of the Mining Act;

(c) we have assumed the accuracy and completeness of any instructions or information which we have received from the Company or any of its officers, agents and representatives;

(d) with respect to any application for the grant of a Tenement, we express no opinion as to whether such application will ultimately be granted and that reasonable conditions will be imposed upon grant, although we have no reason to believe that any application will be refused or that unreasonable conditions will be imposed;

(e) where compliance with the requirements necessary to maintain a Tenement in good standing is not disclosed on the face of the searches referred to in this report, we express no opinion on such compliance;

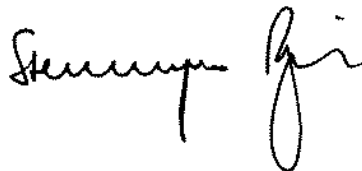
(f) references in the Schedule to any area of land are taken from details shown on searches obtained from the DIR. It is not possible to verify the accuracy of those areas without conducting a survey; and

(g) the information in the Schedule is accurate as at the date the relevant searches were obtained. We cannot comment on whether any changes have occurred in respect of the Tenements between the date of the searches and the date of the Prospectus.

11. CONSENT

This report is given solely for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus and is not to be relied on or disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without our prior consent.

Yours faithfully



PART I
TENEMENT SCHEDULE

TENEMENT	HOLDER / APPLICANT	SHARES HELD	GRANT DATE (APPLICATION DATE)	EXPIRY DATE	AREA SIZE	ANNUAL RENT (NEXT RENTAL YEAR)	MINIMUM ANNUAL EXPENDITURE	RELATIONSHIPS (EG SECTION 40)	ENCUMBRANCES/DEALINGS	NOTES	NATIVE TITLE CLAIMS	ARCHAEOLOGICAL HERITAGE SITES
ELA08/2400	GTI Resources Ltd	100/100	30/04/07	-	31 BL	-	-	-	-	-	WC99/24, Waiuna	-
ELA08/1793	GTI Resources Ltd	100/100	10/05/07	-	36 BL	-	-	-	-	-	WC00/8, Jumu, People WC97/43 Goborarat, Mnduana Yntawanga	-
ELA08/1792	GTI Resources Ltd	100/100	10/05/07	-	24 BL	-	-	-	-	-	WC99/45, Thahany WC05/4, Pusu Kumi Kurama and Pikipura 2	-
ELA08/1798	GTI Resources Ltd	100/100	10/06/07	-	45 BL	-	-	-	-	-	WC09/24, Waiuna	-
ELA09/2119	Globe Uranium Ltd	100/100	26/07/06	-	10 BL	-	-	-	-	A	WC00/8, Jumu, People	-
E08/1372	Globe Uranium Ltd Cape Lambert Iron Ore Ltd	90/100 10/100	06/10/04	05/10/09	8 BL	\$1,307.68	\$20,000	-	-	1-10 A	-	-
ELA08/1561	Globe Uranium Ltd	100/100	05/08/05	-	42 BL	-	-	-	-	11 A	WC97/95, Thudagan People WC99/45, Thahany WC05/4, Pusu Kumi Kurama and Pikipura 2	-
E09/1043	Vislance Ltd	96/96	01/12/2004	30/11/2009	14 BL	\$2,266.44	\$20,000	-	-	1,3-8,12 B	WC97/28, Gnudi	-
E09/1049	Vislance Ltd	96/96	08/05/2007	07/05/2012	3 BL	\$315.15	\$15,000	-	-	1,3-8,12,13 B	WC97/28, Gnudi	-
P45/2521	Nomvula Gold Pty Ltd Peter van der Borgh	30/100 10/100	03/02/2006	02/02/2010	103.94 HA	\$205.92	\$4,150	-	-	1,3-5,12,14 C	WC99/16, Palyku	6684 Tayana Tambourah Spring
P45/2522	Nomvula Gold Pty Ltd Peter van der Borgh	90/100 10/100	03/02/2006	02/02/2010	200 HA	\$396	\$9,000	-	-	1,3-6,12,15,16 C	WC99/15, Palyku	6684, Tayana Tambourah Spring 8780, Garnet Knob
P45/2523	Nomvula Gold Pty Ltd Peter van der Borgh	30/100 10/100	24/02/2006	23/02/2010	184.97 HA	\$386.10	\$7,800	-	-	1,3-8,12,17 C	WC99/16, Palyku	-
P45/2524	Nomvula Gold Pty Ltd Peter van der Borgh	90/100 10/100	24/02/2006	23/02/2010	197.29 HA	\$392.04	\$7,920	-	-	1,3-6,12 C	WC99/16, Palyku	8780, Garnet Knob

Key to Tenement Schedule

E	-	Exploration Licence
ELA	-	Exploration Licence Application
P	-	Prospecting Licence

All of the native title claims listed in the Schedule have been accepted and entered on the Register of Native Title Claims. Please refer to Part II of this Report for the status of the Native Title Claims.

Unless otherwise indicated, capitalised terms have the same meaning given to them in the Prospectus.

References to numbers in the "Notes" column refers to the notes following this table.

References to letters correspond to the summaries of material contracts in Part III of this Report.

Notes:

All Tenements are subject to the standard endorsements and conditions imposed by DIR.

1. The Licensee's attention is drawn to the provisions of the Aboriginal Heritage Act 1972 and any Regulations thereunder.
2. The licensee's attention is drawn to the provisions of the Rights in Water and Irrigation Act 1914 and any Regulations thereunder.
3. All surface holes drilled for the purpose of exploration are to be capped, filled or otherwise made safe after completion.
4. All costeans and other disturbances to the surface of the land made as a result of exploration, including drill pads, grid lines and access tracks, being backfilled and rehabilitated to the satisfaction of the Environmental Officer, Department of Industry and Resources. Backfilling and rehabilitation being required no later than 6 months after excavation unless otherwise approved in writing by the Environmental Officer, DoIR.
5. All waste materials, rubbish, plastic sample bags, abandoned equipment and temporary buildings being removed from the mining tenement prior to or at the termination of exploration programs.
6. Unless the written approval of the Environmental Officer, DoIR is first obtained, the use of scrapers, graders, bulldozers, backhoes or other mechanised equipment for surface disturbance or the excavation of costeans is prohibited. Following approval, all topsoil being removed ahead of mining operations and separately stockpiled for replacement after backfilling and/or completion of operations.
7. The Licensee notifying the holder of any underlying pastoral or grazing lease by telephone or in person, or by registered post if contact cannot be made, prior to undertaking airborne geophysical surveys or any ground disturbing activities utilising equipment such as scrapers, graders, bulldozers, backhoes, drilling rigs, water carting equipment of other mechanised equipment.
8. The Licensee or transferee, as the case may be, shall within thirty (30) days of receiving written notification of:-
 - the grant of the licence; or
 - registration of a transfer introducing a new licensee;
 advise, by registered post, the holder of any underlying pastoral or grazing lease details of the grant or transfer.
9. In respect to that portion of land designated "FNA 985" in Tengraph, being a proposed damsite, the following shall apply:
 - (a) No activities being carried out that will adversely affect waters from surface and underground sources.
 - (b) Cancellation without compensation upon notice in writing from the Minister for state Development that the ground within the proposed Damsite or any portion thereof is required for construction of water supply works or that mining operations thereon will, in his opinion be detrimental to existing or proposed water supplies.

- (c) The rights in ingress to and egress from any mining operation being at all reasonable times preserved to the authorised officers of the Water and Rivers Commission, for inspection purposes.
 - (d) Tailings dams, disposal areas and dumps being sited so as to pose no threat to water course stability or to groundwater and surface water quality, any being constructed so as to be stable on decommissioning.
 - (e) Any application made for a mining lease in respect of ground comprised within this licence, must be accompanied by a plan proposed mining operations will not be detrimental to existing or proposed water supplies.
10. In respect to that portion of land designated "FNA 5724" in Tengraph, formerly Wanna Pastoral Lease 3114/1237, the following shall apply:
- (a) Prior to any ground-disturbing activity, as defined by the State Mining Engineer, the licensee preparing a detailed program for each phase of proposed exploration for approval of the State Mining Engineer. The program to include
 - maps and/or aerial photographs showing all proposed routes, construction and upgrading of tracks, camps, drill sites and any other disturbances;
 - the purpose, specifications and life of all proposed disturbances;
 - proposals which may disturb any declared rare or geographically restricted flora and fauna; and
 - techniques. Prescriptions and timetable for the rehabilitation of all proposed disturbances.
 - (b) The licensee, at his expense, rehabilitating all areas cleared, explored or otherwise disturbed during the term of the licence to the satisfaction of the State Mining Engineer. Such rehabilitation as is appropriate and may include:
 - stockpiling and return of topsoil;
 - backfilling all holes, trenches and costeans;
 - ripping;
 - contouring to the original landform;
 - revegetation with seed; and
 - capping and backfilling of all drill holes.
 - (c) Prior to the cessation of exploration/ prospecting activity the licensee notifying the Regional Environmental Officer, Department of Industry and Resources and arranging an inspection as required.
11. Description of land NOT included in the grant of the Licence: Exploration Licence 08/1561, Hamersley Range 2469; h,n,o,s,t.
12. The licensees's attention is drawn to the Environmental Protection Act 1986 and the Environmental Protection (Clearing of Native Vegetation) Regulations 2004, which provides for the protection of all native vegetation from damage unless prior permission is obtained.
13. Description of land NOT included in the grant of the Licence: Exploration Licence 09/1048, Hamersley Range 3339; u, Hamersley Range 3340; q,r,x.
14. Consent to mine on Timber Reserve 12633 granted subject to:
- (a) no mining within the portion of land designated as "FNA 6633" in Tengraph, being a proposed burial site and 150 metre protective buffer.
15. Consent to mine on Water Reserve 12788 granted subject to:
- (a) written notification, where practicable, of the time frame, type and extent of proposed ground disturbing activities being forwarded to the Department of Environment Karatha seven days prior to commencement of those activities;
 - (b) any significant waterway (flowing or not), wetland or its fringing vegetation that may exist on site not being disturbed or removed without prior written approval from the Department of Environment.
 - (c) the rights of ingress to and egress from the Licence being at all reasonable times preserved to officers of the Department of Environment for inspection and investigation purposes;
 - (d) the storage and disposal of hydrocarbons, chemicals and potentially hazardous substances being in accordance with the Department of Environment's Guidelines and Water Quality Protection Notes;

- (e) all proposed exploration activities within the Public Drinking Water Source Areas complying with the Department of Environment's Water Quality Protection Note Land Use Compatibility in Public Drinking Water Source Areas;
 - (f) all Mining Act tenement activities within the Public Drinking Water Source Areas being prohibited unless the prior written approval has been obtained from the Department of Environment;
 - (g) all Mining Act tenement activities are prohibited within 2 kilometres of the maximum storage level of a reservoir itself, unless the prior written approval Department of Environment is first obtained;
 - (h) storage and use of hydrocarbons and potentially hazardous substances requiring the prior written approval or appropriate permits from the Department of Environment;
 - (i) all hydrocarbon or other pollutant spillage being reported to the Department of Environment. Remediation being carried out to the satisfaction of the Department of Environment;
 - (j) all Mining Act tenement activities are prohibited within a 300-metre radius of any observation well in a Public Drinking Water Source Priority P1, P2 & P3 Areas unless the written approval of the Department of Environment is first obtained;
 - (k) all Mining Act tenement activities are prohibited within a 500-metre radius in a P1 area or a 300-metre radius in a P2 or P3 area of any Public Drinking Water Source production well or dam, unless the written approval of the Department of Environment is first obtained.
16. Consent to mine on Timber Reserve 13633 granted subject to:
- (a) no mining within the portion of land designated as "FNA 6633" in Tengraph, being a proposed burial site and 150 metre protective buffer.
17. The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing mining on Timber Reserve 13633.
18. The licensee's attention is drawn to the provisions of:
- Water and Rivers Commission Act 1995 and any regulations thereunder.
19. The licensee's attention is drawn to the provisions of:
- Country Areas Water Supply Act 1947 and any Regulations thereunder; and
 - Metropolitan Water Supply Sewerage and Drainage Act 1909 and any regulations thereunder.

PART II

STATUS OF NATIVE TITLE CLAIMS

TRIBUNAL NUMBER	FEDERAL COURT NUMBER	APPLICATION NAME	STATUS	RNTC STATUS	IN MEDIATION
WC97/95	WAD6212/98	Thudgari	Active	Registered	Yes
WC99/24	WAD6164/98	Wiluna	Active	Registered	Yes
WC99/45	WAD6113/98	Thalanyji	Active	Registered	Yes
WC00/8	WAD6007/00	Jurruru People	Active	Registered	Yes
WC05/4	WAD126/05	Puutu Kunti Kurrama and Pinikura 2	Active	Registered	Yes
WC99/16	WAD6287/98	Palyku	Active	Registered	Yes
WC97/43	WAD6173/98	Gobowarra Minduarra Yinhawanga	Active	Registered	Yes
WC97/28	WAD6161/98	Gnulli	Active	Registered	Yes

PART III

MATERIAL CONTRACT SUMMARIES

(A) TENEMENT SALE AGREEMENT WITH GLOBE URANIUM LIMITED

On 26 April 2007 the Company entered into a sale agreement with Globe Uranium Limited (**GU**) (**Sale Agreement**) pursuant to which GU agreed to sell to the Company a number of mining tenements on the following material terms and conditions:

- (a) (**Tenements**): with effect from the date which is 5 business days after the satisfaction (or waiver by the Company) of the condition precedent referred to in paragraph (b), GU will sell, and the Company will purchase, Exploration Licence 08/1372 (GU 90%) and Exploration Licence Applications 08/1561 (GU 100%) and 69/2119 (GU 100%) (together, the **GU Tenements**);
- (b) (**Condition Precedent**): the sale of the GU Tenements is conditional upon the Company receiving conditional approval from the ASX to list on or before 31 August 2007 and any approvals required under the Mining Act (WA);
- (c) (**Consideration**): in consideration for the acquisition of the GU Tenements the Company:
 - (i) made a non-refundable payment of \$50,000 to GU upon the execution of the Sale Agreement; and
 - (ii) will issue 2,000,000 Shares to GU upon settlement of the Sale Agreement; and
- (d) (**Warranties**): GU warrants to the Company that the GU Tenements are in good standing and that all conditions and obligations in respect of the GU Tenements have been complied with by GU.
- (e) (**Special Condition**): The Company acknowledged that International Goldfields Ltd (**IGL**) is the holder of the remaining 10% of the GU Tenements and, by virtue of a prior agreement with GU, IGL is to be free-carried through to completion of a decision to mine at which point IGL must elect, within 30 days, to contribute or dilute to a \$1/dry tonne mined and milled royalty.

(B) TENEMENT SALE AGREEMENT WITH VISTARISE LIMITED

On 22 May 2007 the Company entered into a sale agreement with Vistarise Limited (**Vistarise**) (**Sale Agreement**) pursuant to which VU agreed to sell to the Company a number of tenements on the following material terms and conditions:

- (a) (**Sale of Tenements**): with effect from the date which is 5 business days after the satisfaction (or waiver by the Company) of the condition precedent referred to in paragraph (b), Vistarise will sell, and the Company will purchase, Exploration Licences E09/1043 and E09/1049 (together, the **Vistarise Tenements**);
- (b) (**Condition Precedent**): the sale of the Vistarise Tenements is conditional upon the Company receiving conditional approval from the ASX to list on or before 31 August 2007 and any approvals required under the Mining Act (WA);
- (c) (**Consideration**): in consideration for the acquisition of the Vistarise Tenements the Company:
 - (i) made a non-refundable payment of \$10,000 to Vistarise upon the execution of the Sale Agreement;
 - (ii) will issue 500,000 Shares to Vistarise upon settlement of the Sale Agreement; and
 - (iii) will provide Vistarise with a net smelter royalty payment of 1.75% on any mineral production from within the Vistarise Tenements; and
- (d) (**Warranties**): Vistarise warrants to the Company that the Vistarise Tenements are in good standing and that all conditions and obligations in respect of the Vistarise Tenements have been complied with by Vistarise.

(C) TENEMENT SALE AGREEMENT WITH WOMBOLA GOLD PTY LTD

On 5 June 2007 the Company entered into a sale agreement with Wombola Gold Pty Ltd (Wombola) (**Sale Agreement**) pursuant to which Wombola agreed to sell to the Company a number of mining tenements on the following material terms and conditions:

- (a) **(Tenements):** with effect from the date which is 5 business days after the satisfaction (or waiver by the Company) of the condition precedent referred to in paragraph (b), Wombola will sell, and the Company will purchase 90% of Prospecting Licences P45/2521, P45/2522, P45/2523 and P45/2524 (together, the Wombola Tenements);
- (b) **(Condition Precedent):** the sale of the Wombola Tenements is conditional upon the Company receiving conditional approval from the ASX to list on or before 31 August 2007 and any approvals required under the Mining Act (WA);
- (c) **(Consideration):** in consideration for the acquisition of the Wombola Tenements the Company:
 - (i) made a non-refundable payment of \$20,000 to Wombola upon the execution of the Sale Agreement; and
 - (ii) will issue 500,000 Shares to Wombola upon settlement of the Sale Agreement; and
- (d) **(Warranties):** Wombola warrants to the Company that the Wombola Tenements are in good standing and that all conditions and obligations in respect of the Wombola Tenements have been complied with by Wombola.
- (e) **(Special Condition):** The Company acknowledged that Peter van der Borgh (PVB) is the holder of the remaining 10% of the Wombola Tenements and, by virtue of a prior agreement with Wombola, PVB is to be free-carried through to completion of a decision to mine at which point PVB must elect, within 30 days, to contribute or dilute to a \$1/dry tonne mined and milled royalty.

10. RISK FACTORS

10.1 Introduction

An investment in the Company is not risk free and prospective new investors should consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

10.2 Uranium Risks

The current and future operations of the Company in relation to uranium, including exploration, appraisal and production activities, may be affected by a range of factors, including:

Government regulation and policy

Uranium mining in Australia is subject to extensive regulation by State and Federal Governments in relation to exploration, development, production, exports, taxes and royalties, labour standards, occupational health, waste disposal, protection and rehabilitation of the environment, mine reclamation, mine safety, toxic and radioactive substances, native title and other matters. Compliance with such laws and regulations may increase the costs of exploring, drilling, developing, constructing, operating and closing mines and other production facilities.

The Federal Government currently permits the mining and export of uranium under strict international agreements designed to prevent the proliferation of nuclear weapons. The export of uranium is controlled by the Federal Government through its licensing process and it is understood that Australian uranium can only be exported to those countries who undertake to use it for peaceful purposes.

Mining Policy

Federal Coalition policy has favored uranium mining in Australia since the Coalition came to power in 1996, at which time the Australian Labor Party's three mines policy was abandoned. It was then decided that new uranium mines could operate, albeit under strict environmental, heritage and nuclear safeguards.

The Federal Australian Labor Party has just dropped its policy opposing new uranium mines being developed.

There is currently no legislation that expressly prohibits uranium mining in Western Australia. However, the current Western Australian State Government has restated that it will not permit uranium mining in Western Australia. All mining leases granted since 22 June 2002 are subject to a condition which prohibits the mining of uranium. Whilst the Company is not restricted from exploring and evaluating uranium deposits in Western Australia the development of any uranium deposit is contingent upon a change of Western Australian State Government Policy in relation to uranium production.

There can be no assurance that the policy will change in the future and this may adversely affect the long-term prospects of the Company.

Export Policy

The Commonwealth Government maintains tight controls over the export of uranium through its licensing process. Uranium may only be sold and exported in accordance with the Customs (Prohibited Exports) Regulations (Cth) and the Nuclear Non-Proliferation (Safeguards) Act (Cth). Australian uranium can only be exported to countries that undertake to use it for peaceful purposes. Uranium mining itself is also extensively regulated. Complying with these laws and regulations increases the cost of exploring, drilling, developing, constructing, operating and closing mines and other production facilities. The approvals required are more rigorous than those for the mining of other metals. There is a risk that should economic deposits of uranium be discovered, the requisite government approvals may not be granted or may be significantly delayed, thereby rendering the deposits uneconomic.

Competition from alternative energy and public perception

Nuclear energy is in direct competition with other, more conventional sources of energy which include oil, gas, coal

and hydro-electricity. These conventional energy sources may be provided at lower cost resulting in a decrease in demand for uranium.

Furthermore, the growth of the nuclear power industry (and resulting increase in the demand for uranium) beyond its current level will depend upon continued and increased acceptance of nuclear technology as a means of generating electricity. The nuclear industry is currently subject to negative public opinion due to political, technological and environmental factors. This may have an adverse impact on the demand for uranium and increase the regulation of uranium mining.

One of the arguments for nuclear energy is its substantially reduced level of carbon emissions. Alternative energy systems such as wind or solar also have very low levels, if any, of carbon emissions. However, to date these have not been efficient enough to be relied upon. Technology changes may occur that make alternative energy systems more efficient and reliable.

10.3 Economic Risks

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

Further, share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (a) general economic outlook;
- (b) interest rates and inflation rates;
- (c) currency fluctuations;
- (d) changes in investor sentiment toward particular market sectors;
- (e) the demand for, and supply of, capital; and
- (f) terrorism or other hostilities.

10.4 Market Conditions

The market price of the Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

10.5 Exploration Success

The mineral tenements of the Company as described in this Prospectus are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of the Tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The exploration costs of the Company described in the Independent Geologist's Report are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

10.6 Operating Risks

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits; failure to achieve predicted grades in exploration and mining; operational and technical difficulties encountered in mining; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; unanticipated metallurgical problems which may affect extraction costs; adverse weather conditions; industrial and environmental accidents; industrial disputes; and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

Having been incorporated on 5 April 2007, the Company does not have any operating history, although it should be noted that the Company's directors have between them significant operational experience. No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

10.7 Resource Estimates

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

10.8 Commodity Price Volatility and Exchange Rate Risks

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

10.9 Environmental Risks

The operations and proposed activities of the Company are subject to State and Federal laws and regulation concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

In this regard, the Department of Industry & Resources in Western Australia from time to time reviews the environmental bonds that are placed on tenements. The Directors are not in a position to state whether a review is imminent or whether the outcome of such a review would be detrimental to the funding needs of the Company.

10.10 Title Risks and Native Title

Interests in tenements in Australia are governed by the respective State legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

It is also possible that, in relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

The Directors will closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

10.11 Additional Requirements for Capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to gener-

ate income from its operations, the Company may require further financing in addition to amounts raised under the capital raising. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be.

10.12 Reliance on Key Management

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

10.13 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the securities offered under this Prospectus. Therefore, the securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for securities pursuant to this Prospectus.

11. MATERIAL CONTRACTS

Set out below is a summary of the contracts to which the Company is a party which may be material in terms of the Offer or the operation of the business of the Company, and which are not otherwise summarised in the Solicitor's Report in Section .

11.1 Underwriting Agreement KTM Capital Pty Limited

Under this agreement, dated 22 June 2007, KTM Capital Pty Limited (Underwriter) has agreed with the Company to underwrite the Offer of 15 million Shares pursuant to this Prospectus. The Underwriter will receive an underwriting commission equal to 6% of the amount to be raised under the Offer (being a fee of between \$180,000 and \$240,000 (exclusive of GST)). The Underwriter will also receive payment from GTI of reasonable costs and expenses incurred by the Underwriter in connection with the Offer. GTI will also pay any GST applicable to any fee payable to the Underwriter by GTI under the agreement.

The Company has given warranties and covenants to the Underwriter which are usual in an agreement of this nature. The Underwriting Agreement provides that the Underwriter may terminate the Underwriting Agreement and its obligations under it at any time without cost or liability to the Underwriter upon the occurrence of any one or more of the termination events (Termination Event) before the Offer Shares are allotted under the Offer.

The termination events are qualified by a requirement that before being entitled to terminate, the Underwriter must believe, on reasonable grounds acting bona fide, that the relevant termination event has or is likely to have a materially adverse effect on the Company, or the outcome of the Offer or could give rise to a material liability of the Underwriter.

Termination events include:

- (a) a statement contained in the Prospectus being found to be misleading or deceptive, a material omission or non-disclosure in the Prospectus or the Underwriter forming the opinion that the Prospectus fails to satisfy Sections 710 or 711 of the Corporations Act;
- (b) this Prospectus not containing all information as required by the Corporations Act;
- (c) any information given by the Company to the Underwriter being found to be misleading or deceptive;
- (d) any adverse change occurring in the assets, liabilities, financial position, profits, losses or prospects of the Company;

- (e) the introduction or proposal of any law or any policy by any Government or body in any jurisdiction in which the Company offers products or services which affects, or is likely to affect, the successful promotion of these products or services or the industry of which the Company is a part;
- (f) the Company becomes aware of a matter that is materially adverse from the point of view of an investor as envisaged in Section 719(1) of the Corporations Act at any time after the date of the issue of this Prospectus;
- (g) there occurs a change affecting any matter contained in this Prospectus, as envisaged in Section 719 of the Corporations Act occasioning the need, in the Underwriter's reasonable opinion, for a supplementary disclosure document to be lodged with ASIC;
- (h) there arises a significant new matter, the inclusion in this Prospectus of information about which would have been required by Chapter 6D of the Corporations Act if it had arisen when this Prospectus was prepared, as envisaged in Section 719 of the Corporations Act;
- (i) there is a deficiency in this Prospectus within the meaning of Section 719 of the Corporations Act;
- (j) the Company converts all or any of its shares into a larger or smaller number of shares except a conversion to effect the restructure of the share capital as contemplated in this Prospectus;
- (k) the Company or a Subsidiary resolves to reduce its share capital in any way;
- (l) the Company or a Subsidiary enters into a buy-back agreement or resolves to approve the terms of a buy-back agreement in accordance with Part 2J.1 Division 2 of the Corporations Act;
- (m) the Company or a Subsidiary makes an allotment of or grants an option to subscribe for any of its shares or agrees to make such an allotment or grant such an option except an allotment or grant contemplated in this Prospectus;
- (n) the Company or a Subsidiary issues or agrees to issue convertible notes;
- (o) the Company or a Subsidiary disposes or agrees to dispose of the whole or a substantial part of its business or property;
- (p) the Company or a Subsidiary charges or agrees to charge the whole or a substantial part of its business or property;
- (q) the Company or a Subsidiary resolves that it be wound up;
- (r) a provisional liquidator of the Company or a Subsidiary is appointed;
- (s) a court makes an order for the winding up of the Company or of a Subsidiary;
- (t) an administrator is appointed under Sections 436A, 436B or 436C of the Corporations Act to the Company or a Subsidiary;
- (u) the Company or a Subsidiary executes a deed of company arrangement;
- (v) a receiver or receiver and manager is appointed in relation to the whole or substantial part of the property of the Company or a Subsidiary; or
- (w) the Company withdraws this Prospectus;
- (x) an outbreak or escalation of hostilities or a state of war existing after the date of the Agreement involving Australia, New Zealand, United States of America, the Commonwealth of Independent States or any of its constituent republics, Canada, Japan, Thailand, Singapore, Malaysia, Hong Kong, North Korea or the Republic of China;
- (y) the All Ordinaries index of the ASX decreasing by 10% or more below the level of that index on the date of the agreement and remains at or below that level for a period of at least 3 consecutive trading days;
- (z) the Small Ordinaries index of the ASX decreasing by 10% or more below the level of that index on the date of the agreement and remains at or below that level for a period of at least 3 consecutive trading days;
- (aa) the All Resources index of the ASX decreasing by 10% or more below the level of that index on the date of the agreement and remains at or below that level for a period of at least 3 consecutive trading days;
- (bb) the introduction into any parliament in Australia or announcement by a government in Australia of any prospective law or the adoption by the Reserve Bank of Australia of any new regulation or policy which adversely affects, or is likely to adversely affect, the principal business of the Company or capital issues or stock markets generally;

- (cc) any material adverse change or disruption to the financial markets of Australia, United States of America or other major international financial markets occurring or any change occurring in national or international political, financial or economic conditions which would make it impractical, in the reasonable judgement of the Underwriter, to market the Shares or to enforce contracts to purchase the Shares or is reasonably likely to materially and adversely affect the success of the Offer;
- (dd) a director of the Company being charged with an indictable offence;
- (ee) the Company contravening its constitution or the Corporations Act;
- (ff) the approval to the official quotation of the Shares on the ASX being refused, not granted or granted subject to any condition which the Underwriter reasonably considers unacceptable;
- (gg) the approval to the official quotation of all of the Shares on the ASX being withdrawn or qualified on a basis which the Underwriter reasonably considers unacceptable;
- (hh) ASIC issuing an order, or giving notice of its intention, to hold a hearing in relation to the Prospectus or issuing a stop order under the Corporations Act or commencing an examination of any person or document in connection with the offer of the Shares;
- (ii) an application being made by the ASIC for an order under Section 1324B of the Corporations Act in relation to the Prospectus;
- (jj) any person other than the Underwriter, who is named in the Prospectus, withdrawing its consent to the issue of the Prospectus;
- (kk) any person giving notice under Section 730 of the Corporations Act in relation to the Prospectus;
- (ll) the Company defaulting in the performance of any of its material obligations under the underwriting agreement;
- (mm) a representation or warranty made or given, or deemed to have been made or given, by the Company under the underwriting agreement proving to have been untrue or incorrect in any material respect and not being remedied to the satisfaction of the Underwriter;
- (nn) any of the material contracts being varied, repudiated, rescinded or terminated without the Underwriter's prior written consent;
- (oo) the Company becoming engaged in any legal action or dispute, arbitration, mediation or other proceeding in any court or tribunal including, without limitation, any legal action or dispute concerning intellectual property rights against the Company.

The Company has agreed to indemnify the Underwriter, its related bodies corporate and each of its officers, employers and advisers (each an "Indemnified Party") from and against any and all losses, liabilities, claims, damages, costs and expenses whatsoever (including reasonable legal costs on a full indemnity basis) arising out of:

- (a) any representation or warranty made by the Company under the underwriting agreement not being correct in any material respect;
- (b) any material breach of the underwriting agreement by the Company;
- (c) any advertisement or publicity of the Offer issued with the written approval of the Company and without consent of the Underwriter; or
- (d) the distribution of the Prospectus and the making of the Offer.

The indemnity provided by the Company does not apply to:

- (a) any loss, damage, cost or expense to the extent that it arises out of any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with written information furnished to the Company by the Underwriter expressly for use in the Prospectus; or
- (b) any loss of an Indemnified Party where such loss results from a breach by a party of its obligations under the underwriting agreement or any fraud, recklessness, wilful misconduct or negligence of an Indemnified Party.

11.2 Service Agreements

Murray McDonald

In June 2007, the Company entered into an executive service agreement with Murray McDonald as Executive Chairman. Under the terms of this agreement, Mr McDonald will receive \$170,000 per annum (excluding mandatory superannuation) for fulfilling his assigned role. In addition Mr McDonald will receive up to \$800 per month to enable him to lease a vehicle for use on the Company's business and reimbursement of expenses for company related business activities of up to \$10,000 per annum.

Mr McDonald's salary will be increased to \$190,000 per annum from 1 June 2008 and reviewed in May of each year thereafter. The term of the agreement is 3 years and Mr McDonald has the option to extend the contract for a further 3 years. In the event that Mr McDonald does not extend the agreement the agreement shall continue until it is determined by either party giving the other party 6 months notice of such intended determination.

The agreement may be terminated by the Company if Mr McDonald has an illness that prevents him from working in excess of 3 months in any 12 month period or in the event of serious misconduct.

If the Company terminates the agreement (other than for serious misconduct) or Mr McDonald is voted off the Board (in which case the employment of Mr McDonald is deemed to be terminated), Mr McDonald is entitled to be paid his full salary and entitlements for the then unexpired period of the agreement (limited to a period of 3 years).

The agreement otherwise contains standard terms and conditions.

Greg Down

In June 2007, the Company entered into an executive service agreement with Greg Down as Executive Director. Under the terms of this agreement, Mr Down will receive \$150,000 per annum (excluding mandatory superannuation) for fulfilling his assigned role and this salary will be reviewed in May of each subsequent year.

The term of the agreement is 2 years at which point the parties have agreed to negotiate in good faith towards an extension of the agreement. In the event that the parties do not extend the agreement the agreement shall continue until it is determined by either party giving the other party 3 months notice of such intended determination.

The agreement may be terminated by the Company if Mr Down has an illness that prevents him from working in excess of 3 months in any 12 month period or in the event of serious misconduct.

If the Company terminates the agreement (other than for serious misconduct) or Mr Down is voted off the Board (in which case the employment of Mr Down is deemed to be terminated), Mr Down is entitled to be paid his full salary and entitlements for the then unexpired period of the agreement.

The agreement otherwise contains standard terms and conditions.

11.3 Directors and Officers Protection Deeds

The Company has entered into a deed of indemnity and access with each of its Directors and the Company Secretary.

Under these deeds, the Company indemnifies each officer to the extent permitted by the Corporations Act 2001 against any liability as an officer of the Company. The Company is required under the deeds to maintain insurance policies for the benefit of the relevant officer for the term of the appointment and for a period of seven (7) years after retirement or resignation.

The deeds also provide for the right to access Board papers.

11.4 Office Sublease

The Company has entered into an agreement with Truscott Mining Corporation Limited (ABN 31 116 420 378) (**Truscott**) to sublease part of the premises at 13 Colin Street, West Perth, Western Australia (**Sublease**).

This agreement is a related party transaction because Ian Cowden who is a Director of the Company, is also a director of Truscott.

The Sublease commenced on 14 May 2007 for a term of three years and the Company has the option to extend the lease for a further three year term. The rent payable is \$46,475 per annum plus outgoings plus GST and the Sublease is otherwise on standard terms and conditions.

12. ADDITIONAL INFORMATION

12.1 Rights Attaching to Shares

The rights, privileges and restrictions attaching to Shares can be summarised as follows:

(a) General Meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and
- (iii) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such shares registered in the shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend Rights

Subject to the rights of persons (if any) entitled to shares with special rights to dividend the Directors may declare a final dividend out of profits in accordance with the Corporations Act and may authorise the payment or crediting by the Company to the shareholders of such a dividend. The Directors may authorise the payment or crediting by the Company to the shareholders of such interim dividends as appear to the Directors to be justified by the profits of the Company. Subject to the rights of persons (if any) entitled to shares with special rights as to dividend all dividends are to be declared and paid according to the amounts paid or credited as paid on the shares in respect of which the dividend is paid. Interest may not be paid by the Company in respect of any dividend, whether final or interim.

(d) Winding-Up

The assets of the Company must, on a winding up, be applied in repayment to the Members in proportion to their respective holdings. Where an order is made for the winding up of the Company or it is resolved by special resolution to wind up the Company, then on a distribution of assets to members, shares classified by ASX as restricted securities at the time of the commencement of the winding up shall rank in priority after all other shares.

(e) Transfer of Shares

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the Listing Rules.

(f) Variation of Rights

Pursuant to Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

12.2 Options

The material terms and conditions of the Options are as follows:

- (a) each Option entitles the holder to one (1) Share in the Company;
- (b) 5,500,000 Options are exercisable at any time prior to 5.00pm (WST) on 19 December 2009 (**2009 Options**) and 4,500,000 Options are exercisable at any time prior to 5.00pm (WST) on 19 December 2011 (**2011 Options**) (**Expiry Date**) by completing an Option exercise form and delivering it together with the payment for the number of Shares in respect of which the Options are exercised to the registered office of the Company;
- (c) the Option exercise price is \$0.30 per 2009 Option and \$0.40 per 2011 Option;
- (d) an Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised;
- (e) subject to the Corporations Act, the Listing Rules and the Company's Constitution, the Options are freely transferable;
- (f) the Company will not apply for quotation of the Options on ASX;
- (g) all Shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then issued Shares. The Company will apply for quotation of all Shares issued upon exercise of the Options on ASX;
- (h) there are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue; and
- (i) if at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules.

12.3 Incentive Option Scheme

The Company has established an incentive option scheme (**IOS**). The full terms of the IOS may be inspected at the registered office of the Company during normal business hours.

Objectives: The objective of the IOS is to assist in the recruitment, reward, retention and motivation of employees of the Company.

Consideration: Each Option issued under the plan (Employee Option) will be issued free of charge.

Exercise Price: The exercise price for Employee Options granted under the IOS will be the price fixed by the Board (in its discretion).

Exercise Restrictions: The options granted under the IOS may be subject to such other restrictions on exercise as may be fixed by the Directors from time to time.

Participation in Rights Issues and Bonus Issues: The Employee Options granted under the IOS do not give

any right to participate in dividends or rights issues until Shares are allotted pursuant to the exercise of the relevant Employee Option.

Eligibility: Under the IOS, the Directors may invite employees to participate in the IOS and receive Employee Options. An employee may receive the Employee Options or nominate a relative or associate to receive the Employee Options (although the Board may resolve not to allow the nomination). The plan is open to Directors of the Company or its subsidiaries.

12.4 Disclosure of Interests

Directors are not required under the Company's Constitution to hold any Shares. As at the date of this Prospectus, the Directors have relevant interests in Securities as set out in the table below:

Director	Shares	2009 Options	2011 Options
Murray McDonald	3,000,001	1,500,000	1,500,000
Greg Down	3,000,001	1,500,000	1,500,000
Ian Cowden	3,000,001	1,500,000	1,500,000

12.5 Remuneration

The Company's Constitution (Constitution) provides that the remuneration of non-executive Directors will be not more than the aggregate fixed sum determined by a general meeting. The Constitution provides \$500,000 per annum for this purpose however the Directors have resolved not to exceed \$200,000 per annum and a resolution to this effect will be put to shareholders at the Company's next general meeting.

The remuneration of executive Directors will be fixed by the Directors and may be paid by way of fixed salary or consultancy fee.

12.6 Fees and Benefits

Other than as set out below or elsewhere in this Prospectus, no:

- (a) Director of the Company;
- (b) person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (c) promoter of the Company; or
- (d) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in the Prospectus as a financial services licensee involved in the issue,

has, or had within 2 years before lodgement of this Prospectus with the ASIC, any interest in:

- (e) the formation or promotion of the Company;
- (f) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the offer of Securities under this Prospectus; or
- (g) the offer of Securities under this Prospectus,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of those persons as an inducement to become, or to qualify as, a Director of the Company or for services rendered in connection with the formation or promotion of the Company or the offer of Securities under this Prospectus.

Stantons International Pty Ltd and Stanton Partners Corporate Pty Ltd have acted, respectively, as auditor and Investigating Accountant and Stanton Partners Corporate Pty Ltd has prepared an Investigating Accountant's Report which has been included in Section 8 of this Prospectus. The Company estimates it will pay Stanton Partners Corporate Pty Ltd a total of \$8,000 for this service. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Stantons International Pty Ltd and Stanton Partners Corporate Pty Ltd has not received any other fees from the Company.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer, has prepared a Solicitors' Report on Tenements which has been included in Section 9 of this Prospectus and has been involved in due diligence enquiries on legal matters. The Company estimates it will pay Steinepreis Paganin \$30,000 for these

services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with ASIC, Steinepreis Paganin has not received any other fees for legal services.

B.H. McCrow & Associates has acted as the Independent Geologist and has prepared an Independent Geologist's Report which has been included in Section 7 of this Prospectus. The Company estimates that it will pay B.H. McCrow & Associates a total of \$10,000 for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, B.H. McCrow & Associates has not received any other fees from the Company.

12.7 Consents

Each of the parties referred to in this section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section; and
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

Stantons International Pty Ltd has given their written consent to being named as auditor in this Prospectus. Stantons International Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Stanton Partners Corporate Pty Ltd has given their written consent to being named as the Investigating Accountant in this Prospectus and to the inclusion of the Investigating Accountant's Report in Section 8 in the form and context in which the report is included. Stanton Partners Corporate Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

Steinepreis Paganin has given its written consent to being named as the solicitor to the Company in this Prospectus and to the inclusion of the Solicitors' Report on Tenements in Section 9 in the form and context in which the report is included. Steinepreis Paganin have not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

B.H. McCrow & Associates has given its written consent to being named as the Independent Geologist to the Company in this Prospectus and to the inclusion of the Independent Geologist's Report in Section 7 in the form and context in which the report is included. B.H. McCrow & Associates has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

KTM Capital Pty Limited has given its written consent to being named the Underwriter in this Prospectus and has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

Advanced Share Registry Services has given its written consent to being named the Company's Share Registry in this Prospectus and has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

12.8 Restricted Securities

ASX has indicated that certain existing security holders may be required to enter into agreements which restrict dealings in Securities held by them. These agreements will be entered into in accordance with the Listing Rules.

12.9 Expenses of the Offer

The total expenses of the Offer are estimated to be approximately \$365,010 and are expected to be applied towards the items set out in the table below:

Item of Expenditure	Amount (\$)
ASIC fees	2,010
ASX fees	23,456
Advisers' fees and Underwriting fees	298,000
Printing	15,000
Miscellaneous	26,544
TOTAL	365,010

12.10 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

12.11 Electronic Prospectus

Pursuant to Class Order 00/044, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the relevant application forms. If you have not, please email the Company at info@gtiresources.com.au and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus or both. Alternatively, you may obtain a copy of the Prospectus from the Company's website at www.gtiresources.com.au

The Company reserves the right not to accept an application form from a person if it has reason to believe that when that person was given access to the electronic application form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

12.12 Taxation

The acquisition and disposal of Shares in the Company will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

12.13 Forecasts

The Company is an exploration company with the intention to become an Uranium – Gold minerals producer in the medium term. Given the speculative nature of exploration, mineral development and production, there are significant uncertainties associated with forecasting future revenue. On this basis, the Directors believe that reliable forecasts can not be prepared and accordingly have not included forecasts in this Prospectus.

13. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



Murray McDonald
For and on behalf of
GTI Resources Ltd

14. GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

2009 Option means an option to subscribe for a Share exercisable on or before 19 December 2009 at an exercise price of \$0.30 per 2009 Option, subject to the terms and conditions set out in Section 12.2 of this Prospectus.

2011 Option means an option to subscribe for a Share exercisable on or before 19 December 2011 at an exercise price of \$0.40 per 2011 Option, subject to the terms and conditions set out in Section 12.2 of this Prospectus.

A\$ or \$ means an Australian dollar.

Application Form means the application form accompanying this Prospectus relating to the Offer.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691).

Board means the board of Directors as constituted from time to time.

Business Day means a week day when trading banks are ordinarily open for business in Perth, Western Australia.

Company or GTI means GTI Resources Ltd (ABN 33 124 792 132).

Closing Date means the closing date of the Offer as set out in Section 3.3.

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the directors of the Company at the date of this Prospectus.

Exposure Period means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than 7 days pursuant to Section 727(3) of the Corporations Act.

Globe Uranium means Globe Uranium Limited (ACN 114 400 609).

Listing Rules means the official listing rules of ASX.

Offer means the offer of Shares pursuant to this Prospectus as outlined in Section 4.

Official List means the Official List of ASX.

Official Quotation means official quotation by ASX in accordance with the Listing Rules.

Option means either a 2009 Option or a 2011 Option, as the case requires.

Prospectus means this prospectus.

Securities means Shares and Options.

Share means a fully paid ordinary share in the capital of the Company.

Share Registry means Advanced Share Registry Services

Shareholder means a holder of Shares.

Tenements means the tenements set out in Part I of the Solicitors' Report on Tenements in Section 9 of this Prospectus.

Underwriter means KTM Capital Pty Limited (ABN 34 086 281 950).

Vistarise means Vistarise Limited (ACN 094 073 426).

Wombola means Wombola Gold Pty Ltd (ACN 115 702 684)

WST means Western Standard Time, Perth, Western Australia.

PIN CHEQUE(S) HERE

Application form

GTI Resources Ltd

ABN 33 124 792 132

Fill out this Application form if you wish to apply for shares in GTI Resources Ltd

- Please read the Prospectus dated 22 June 2007.
- Follow the instructions to complete this Application form (see reverse).
- Print clearly in capital letters using black or blue pen.

Broker Reference – Stamp Only

Broker Code

Advisor Code

A Number of shares you are applying for

x \$0.20 per share =

B Total amount payable

Minimum of 10,000 shares to be applied for, and thereafter in multiples of 1,000 shares.

C Write the name(s) you wish to register the shares in (see reverse for instructions)

Applicant 1

Name of Applicant 2 or < Account Designation >

Name of Applicant 3 or < Account Designation >

D Write your postal address here

Number / Street

Suburb/Town

State

Postcode

E CHESS participant – Holder Identification Number (HIN)

Important please note if the name & address details above in sections C & D do not match exactly with your registration details held at CHESS, any Securities issued as a result of your application will be held on the Issuer Sponsored subregister.

F Enter your Tax File Number(s), ABN, or exemption category

Applicant #1

Applicant #2

Applicant #3

G Cheque payment details

Please enter details of the cheque(s) that accompany this application.

Name of drawer of cheque

Cheque No.

BSB No.

Account No.

Cheque Amount A\$

H Contact telephone number (daytime/work/mobile)
I Email address

By submitting this Application form, I/We declare that this Application is completed and lodged according to the Prospectus and the instructions on the reverse of the Application form and declare that all details and statements made by me/us are complete and accurate. I/We agree to be bound by the constitution of GTI Resources Ltd (the Company). I/We was/were given access to the Prospectus together with the application form. I/We represent, warrant and undertake to the Company that our subscription for the above shares will not cause the Company or me/us to violate the laws of Australia or any other jurisdiction which may be applicable to this subscription for shares in the Company.

Guide to the Application Form

YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM.

Please complete all relevant sections of the appropriate Application Form using BLOCK LETTERS.
These instructions are cross-referenced to each section of the Application Form.

Instructions

- A. If applying for Shares insert the **number** of Shares for which you wish to subscribe at Item **A** (not less than **10,000** and then in multiples of **1,000**. Multiply by **\$0.20 AUD** to calculate the total for Shares and enter the **\$amount** at **B**.
- C. Write your **full name**. Initials are not acceptable for first names.
- D. Enter your **postal address** for all correspondence. All communications to you from the Company will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
- E. If you are sponsored in CHESS by a stockbroker or other CHESS participant, you may enter your CHESS HIN if you would like the allocation to be directed to your HIN.
NB: your registration details provided must match your CHESS account exactly.
- F. Enter your Australian **tax file number** ("TFN") or ABN or exemption category, if you are an Australian resident. Where applicable, please enter the TFN /ABN of each joint Applicant. Collection of TFN's is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application Form.
- G. Complete **cheque details** as requested. Make your cheque payable to **"GTI Resources Ltd – Share Offer Account"** in Australian currency, cross it and mark it **"Not negotiable"**. Cheques must be made in Australian currency, and cheques must be drawn on an Australian Bank.
- H. Enter your **contact details** so we may contact you regarding your Application Form or Application Monies.
- I. Enter your **email address** so we may contact you regarding your Application Form or Application Monies or other correspondence.

Correct Forms of Registrable Title

Note that ONLY legal entities can hold the Shares. The Application must be in the name of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and surname is required for each natural person.

Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registrable Title	Incorrect Form of Registrable Title
Individual	Mr John David Smith	J D Smith
Company	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings	Mr John David Smith & Mrs Mary Jane Smith	John David & Mary Jane Smith
Trusts	Mr John David Smith <J D Smith Family A/C>	John Smith Family Trust
Deceased Estates	Mr Michael Peter Smith <Est Lte John Smith A/C>	John Smith (deceased)
Partnerships	Mr John David Smith & Mr Ian Lee Smith	John Smith & Son
Clubs/Unincorporated Bodies	Mr John David Smith <Smith Investment A/C>	Smith Investment Club
Superannuation Funds	John Smith Pty Limited <J Smith Super Fund A/C>	John Smith Superannuation Fund

Lodgement

Mail your completed Application Form with cheque(s) attached to the following address:

Mailing address:

GTI Resources Ltd
C/- Advanced Share Registry Services
110 Stirling Highway
NEDLANDS WA 6009

Delivery address:

GTI Resources Ltd
C/- Advanced Share Registry Services
110 Stirling Highway
NEDLANDS WA 6009

It is not necessary to sign or otherwise execute the Application Form.

If you have any questions as to how to complete the Application Form, please contact Advanced Share Registry Services on (08) 9389 8033.

Privacy Statement:

Advanced Share Registry Services advises that Chapter 2C of the Corporations Act 2001 (Cth) requires information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your share holding and if some or all of the information is not collected then it might not be possible to administer your share holding. Your personal information may be disclosed to the entity in which you hold shares. You can obtain access to your personal information by contacting us at the address or telephone number shown on the Application Form.

PIN CHEQUE(S) HERE

Application form

GTI Resources Ltd

ABN 33 124 792 132

Fill out this Application form if you wish to apply for shares in GTI Resources Ltd

- Please read the Prospectus dated 22 June 2007.
- Follow the instructions to complete this Application form (see reverse).
- Print clearly in capital letters using black or blue pen.

Broker Reference – Stamp Only

Broker Code

Advisor Code

A Number of shares you are applying for

x \$0.20 per share =

B Total amount payable

Minimum of 10,000 shares to be applied for, and thereafter in multiples of 1,000 shares.

C Write the name(s) you wish to register the shares in (see reverse for instructions)

Applicant 1

Name of Applicant 2 or < Account Designation >

Name of Applicant 3 or < Account Designation >

D Write your postal address here

Number / Street

Suburb/Town

State

Postcode

E CHESS participant – Holder Identification Number (HIN)
☒

Important please note if the name & address details above in sections C & D do not match exactly with your registration details held at CHESS, any Securities issued as a result of your application will be held on the Issuer Sponsored subregister.

F Enter your Tax File Number(s), ABN, or exemption category

Applicant #1

Applicant #2

Applicant #3

G Cheque payment details

Please enter details of the cheque(s) that accompany this application.

Name of drawer of cheque

Cheque No.

BSB No.

Account No.

Cheque Amount A\$

H Contact telephone number (daytime/work/mobile)
I Email address

By submitting this Application form, I/We declare that this Application is completed and lodged according to the Prospectus and the instructions on the reverse of the Application form and declare that all details and statements made by me/us are complete and accurate. I/We agree to be bound by the constitution of GTI Resources Ltd (the Company). I/We was/were given access to the Prospectus together with the application form. I/We represent, warrant and undertake to the Company that our subscription for the above shares will not cause the Company or me/us to violate the laws of Australia or any other jurisdiction which may be applicable to this subscription for shares in the Company.

Guide to the Application Form

YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM.

Please complete all relevant sections of the appropriate Application Form using BLOCK LETTERS.
These instructions are cross-referenced to each section of the Application Form.

Instructions

- A. If applying for Shares insert the **number** of Shares for which you wish to subscribe at Item **A** (not less than **10,000** and then in multiples of **1,000**. Multiply by **\$0.20 AUD** to calculate the total for Shares and enter the **\$amount** at **B**.
- C. Write your **full name**. Initials are not acceptable for first names.
- D. Enter your **postal address** for all correspondence. All communications to you from the Company will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
- E. If you are sponsored in CHESS by a stockbroker or other CHESS participant, you may enter your CHESS HIN if you would like the allocation to be directed to your HIN.
NB: your registration details provided must match your CHESS account exactly.
- F. Enter your Australian **tax file number** ("TFN") or ABN or exemption category, if you are an Australian resident. Where applicable, please enter the TFN /ABN of each joint Applicant. Collection of TFN's is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application Form.
- G. Complete **cheque details** as requested. Make your cheque payable to **"GTI Resources Ltd – Share Offer Account"** in Australian currency, cross it and mark it **"Not negotiable"**. Cheques must be made in Australian currency, and cheques must be drawn on an Australian Bank.
- H. Enter your **contact details** so we may contact you regarding your Application Form or Application Monies.
- I. Enter your **email address** so we may contact you regarding your Application Form or Application Monies or other correspondence.

Correct Forms of Registrable Title

Note that ONLY legal entities can hold the Shares. The Application must be in the name of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and surname is required for each natural person.

Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registrable Title	Incorrect Form of Registrable Title
Individual	Mr John David Smith	J D Smith
Company	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings	Mr John David Smith & Mrs Mary Jane Smith	John David & Mary Jane Smith
Trusts	Mr John David Smith <J D Smith Family A/C>	John Smith Family Trust
Deceased Estates	Mr Michael Peter Smith <Est Lte John Smith A/C>	John Smith (deceased)
Partnerships	Mr John David Smith & Mr Ian Lee Smith	John Smith & Son
Clubs/Unincorporated Bodies	Mr John David Smith <Smith Investment A/C>	Smith Investment Club
Superannuation Funds	John Smith Pty Limited <J Smith Super Fund A/C>	John Smith Superannuation Fund

Lodgement

Mail your completed Application Form with cheque(s) attached to the following address:

Mailing address:

GTI Resources Ltd
C/- Advanced Share Registry Services
110 Stirling Highway
NEDLANDS WA 6009

Delivery address:

GTI Resources Ltd
C/- Advanced Share Registry Services
110 Stirling Highway
NEDLANDS WA 6009

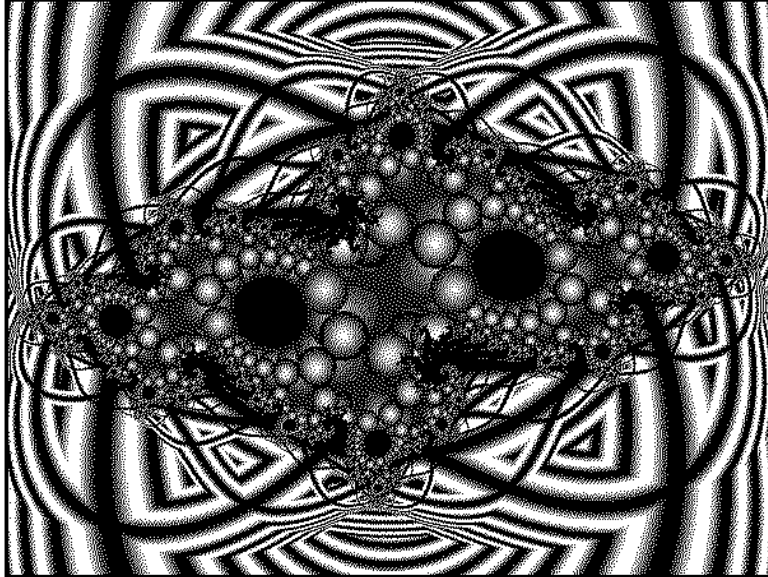
It is not necessary to sign or otherwise execute the Application Form.

If you have any questions as to how to complete the Application Form, please contact Advanced Share Registry Services on (08) 9389 8033.

Privacy Statement:

Advanced Share Registry Services advises that Chapter 2C of the Corporations Act 2001 (Cth) requires information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your share holding and if some or all of the information is not collected then it might not be possible to administer your share holding. Your personal information may be disclosed to the entity in which you hold shares. You can obtain access to your personal information by contacting us at the address or telephone number shown on the Application Form.

This page left blank intentionally



Principal Place of Business

13 Colin Street
WEST PERTH WA 6005

Telephone: (08) 9215 0400
Facsimile: (08) 9321 3628
Email: info@gtiresources.com.au

Registered Office

Ord Group Pty Ltd
Level 2, 47 Colin Street
WEST PERTH WA 6005