

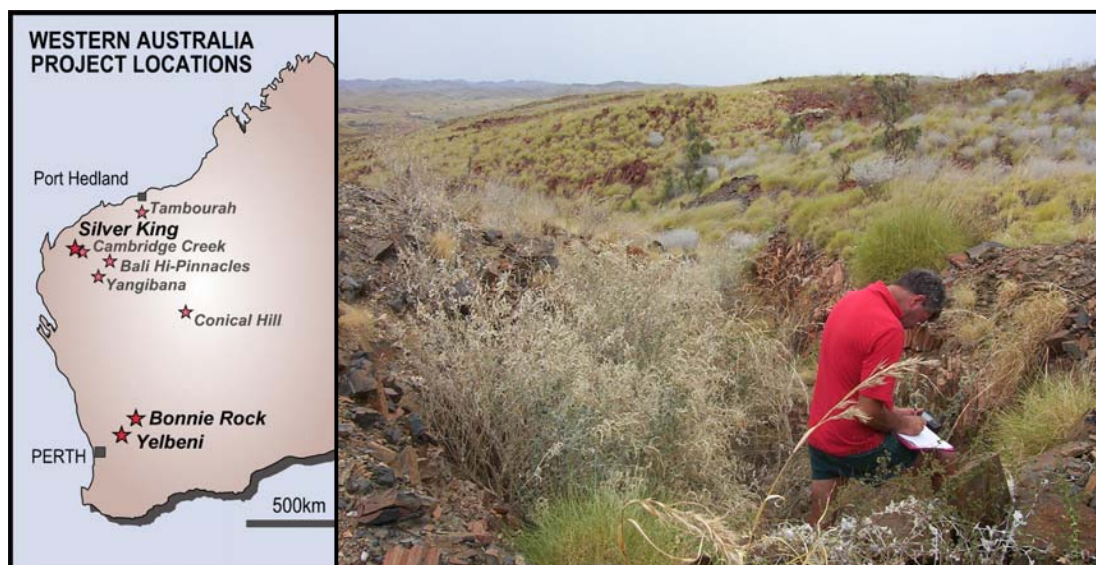
## ACTIVITIES REPORT, MARCH QUARTER 2008

- **2008 Exploration Fieldwork Underway**
- **Aeromagnetic Targets Identified at Tambourah**
- **Uranium Mineralisation Confirmed at Yangibana**
- **Active Generation of New Projects**
- **\$3.23 Million Cash at End of Quarter**

2008 exploration has commenced at GTI's Yangibana and Tambourah projects, following evaluation of detailed aeromagnetic, radiometric and remote sensing surveys. Additional targets identified from this data will be evaluated for drill testing during this field season.

New project areas in Western Australia targeting REE (rare earth elements), uranium, gold, silver and base metals have been applied for, as previously announced. A significant number of advanced project opportunities overseas have been evaluated, and this strategy will continue to be actively pursued during the year.

At Yangibana, surface mineralisation of uranium minerals uranophane and carnotite at several areas within GTI's tenements has been confirmed from research by the Geological Survey of Western Australia. This supports previous surface sampling results of up to 16,679ppm  $U_3O_8$  (1.67%) in iron-rich gossans and 1,895ppm  $U_3O_8$  (0.19%) in granitic basement rocks.



GTI Project Locations

Fieldwork at Tambourah

Figure 1

GTI Resources Ltd  
13 Colin Street  
West Perth WA 6005  
Phone: +61 8 9215 0400

ABN 33 124 792 132  
PO Box 287  
West Perth WA 6872  
Facsimile: +61 8 9321 3628

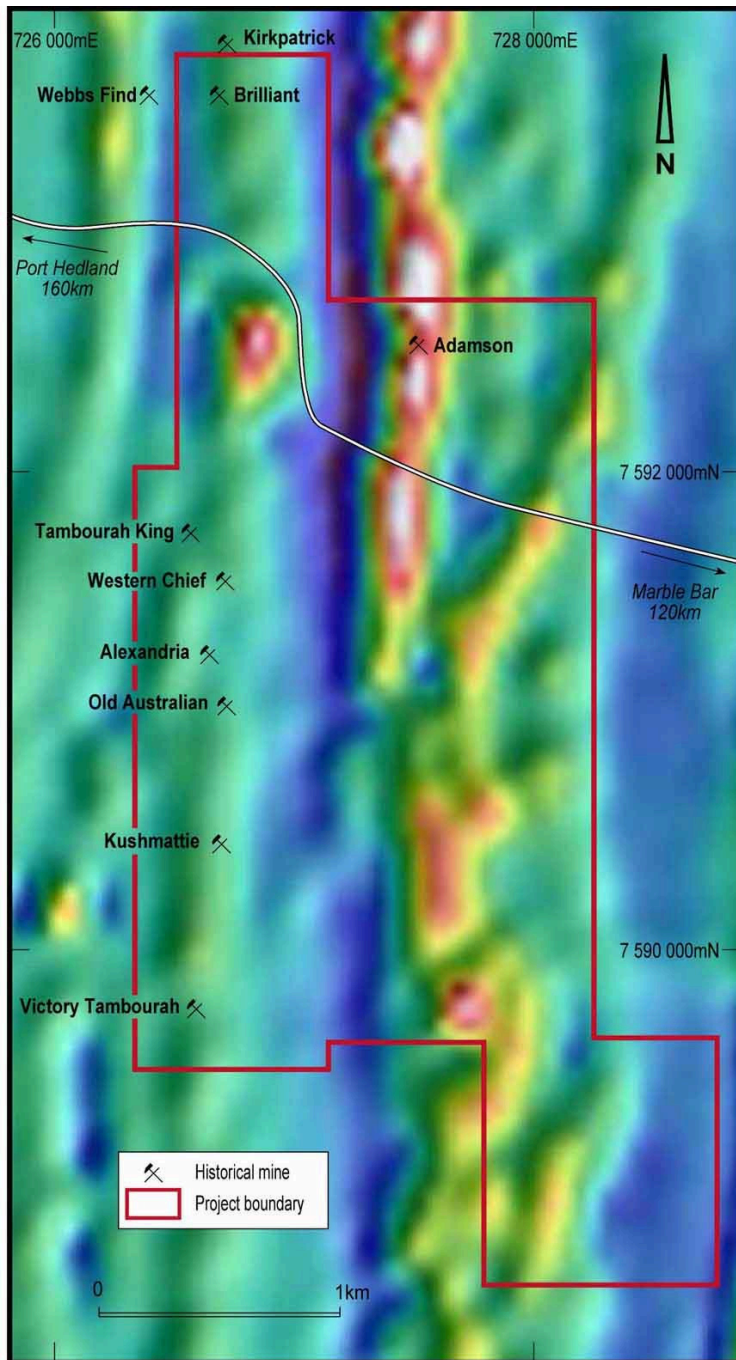
[www.gtiresources.com.au](http://www.gtiresources.com.au)



**Tambourah (Gold-Base Metals, GTI 90%)**

Exploration for both gold and volcanogenic massive sulphide (VMS) base metal mineralisation is underway, with completion of a 600 sample rock and soil programme anticipated shortly. Results will be reported as soon as they become available.

A detailed geophysical review of the Tambourah area, 160 kilometres southeast of Port Hedland and 100 kilometres from Marble Bar (Figure 1) was carried out during the quarter.



Aeromagnetic imaging (Figure 2) shows the historic high grade gold mines in the western part of the project are associated with subtle magnetic features and offsets related to structural controls and the eastern margin of the Tambourah Dome granitic intrusion.

A “bullseye” magnetic high between the Brilliant and Tambourah King mines, and just south of the Port Hedland road, may possibly be related to VMS base metal mineralisation. One sample collected from a shallow pit near the southern end of the target previously returned 0.75% Cu, 0.63% Pb, 38g/t Ag and 2.95g/t Au. This prospect is at present being further sampled and examined on the ground.

A parallel linear zone of magnetic highs, east of the gold trend, is essentially unexplored by modern methods. It exhibits significant peaks and structural offsets and is being sampled as part of the current programme for both base metals and gold.

**Tambourah Aeromagnetic Image**

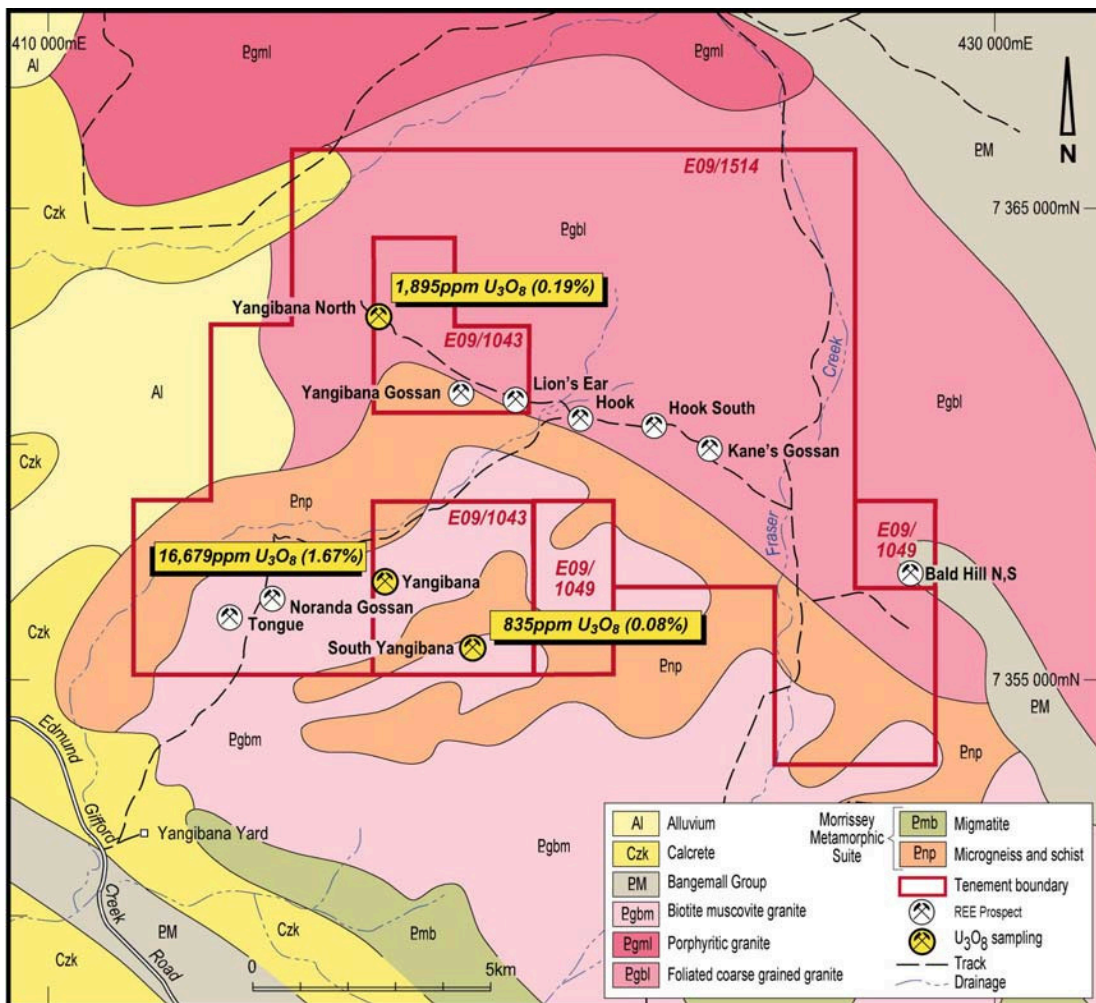
**Figure 2**

**Yangibana (Uranium - Rare Earths, GTI 100%)**

GTI's Yangibana project area, 260km northeast of Carnarvon in Western Australia (Figures 1, 3) has been included in recent mapping studies by the Geological Survey of Western Australia (GSWA). Evaluation of REE and uranium mineralisation of the Gifford Creek Complex, much of which lies within GTI's tenements, forms part of their Mineral Systems Study of the Gascoyne region.

During their research, GSWA has identified the uranium minerals uranophane and carnotite at outcrop, in several areas within the Yangibana project and associated with gossanous horizons hosting the REE (rare earth) mineralisation. This independent recognition of uranium mineralisation at surface supports previous company records of uranium up to 1.67% U<sub>3</sub>O<sub>8</sub>, at Yangibana, 1,895ppm U<sub>3</sub>O<sub>8</sub> at Yangibana North and 835ppm U<sub>3</sub>O<sub>8</sub> at the Yangibana South gossan.

GTI commenced field work during the quarter to sample and validate these REE and uranium prospects, but unseasonal heavy rain washed out the first programme. However, a field crew has been remobilised and radiometric and analytical results are now anticipated next month.



Yangibana Project, showing Rockchip Sample Location and U<sub>3</sub>O<sub>8</sub> Results

Figure 3

A Programme of Work has been lodged with the Department of Industry and Resources, in preparation for RC drilling of these targets. This can be commenced as soon as the necessary heritage surveys have been conducted and clearances received. The area has previously been drilled in 1988 for REE, although no uranium analyses were recorded.

Transfer of title to E09/1043 to GTI was registered in February 2008, and an additional licence E09/1514 was also applied for.

#### **Cambridge Creek (Uranium, GTI 100%)**

Cambridge Creek lies about 180 kilometres southeast from Exmouth, within the Gascoyne Complex of high grade metasedimentary rocks, orthogneiss and granitoids near the western margin of the Capricorn Orogen.

Uranium mineralisation in intrusive pegmatite deposits and shear hosted hydrothermal and unconformity-style deposits are being targeted within the project area.

No fieldwork was carried out during the quarter. Validation and ground truthing of geophysical and remote sensing targets is planned for Q2 2008.

#### **Conical Hill (Uranium, GTI 100%)**

Calcrete-hosted uranium mineralisation in palaeochannels, similar to that discovered adjacent to E69/2119 in 1972 by Esso Australia Limited, is the main target at the Conical Hill project some 130 kilometres northeast from Wiluna. Additional targets include gold and base metals, which are considered as prospective by GSWA in the broader project area although little previous exploration has been reported.

Review of airborne radiometric and magnetic surveys and remote sensing data has continued, to better define anomalous target areas and zones of potential calcrete development, but no fieldwork was conducted.

#### **Bali Hi – Pinnacles (Uranium–Copper-Gold, GTI 90-100%)**

Detailed compilation of historical data into a GIS database has now been completed, which will allow better definition of drill targets for testing during 2008.

Sampling of the uranium-high grade base metal mineralisation within E098/1372 has been planned, together with target generation for additional zones on adjacent structures. Previous significant results at Bali Lo were 4,273ppm U<sub>3</sub>O<sub>8</sub> (0.43%) and 2,906ppm U<sub>3</sub>O<sub>8</sub> (0.29%) with 4.2% Cu and 20.1% Cu respectively.

**Silver King (Silver-Base Metals, GTI 100%)**

The Silver King project includes the historic high grade Silver King/Silver Star/Rainbow mines at Uaroo, about 30 kilometres northwest from GTI's Cambridge Creek property. Recorded production from 1901 – 1953 was 38,927oz silver and 3,440t of lead concentrate averaging 61.1% Pb. In addition, significant gold and copper values have been reported from within this project area.

The tenement was applied for in January 2008 and fieldwork will commence once title has been granted.

**Yelbeni & Bonnie Rock (Uranium, GTI 100%)**

Two exploration licences covering 880 square kilometres in the Wyalkatchem, Trayning and Mukinbudin Shires were applied for by GTI in January 2008 (Figure 1). Compilation and evaluation of previous exploration work has commenced, to define targets for field exploration as soon as the licences are granted.

The projects are considered prospective for uranium within palaeodrainage channels, which form part of the extensive salt lake system developed throughout the Yilgarn. Reconnaissance surface sampling by previous explorers has shown anomalous uranium values in both areas.

Yelbeni E70/3367 covers mainly sandplain and colluvium shallowly overlying palaeodrainages and current drainages which lead into extensive salt lake systems. Elevated uranium values up to 43ppm U<sub>3</sub>O<sub>8</sub> have been recorded over a length of 55 kilometres, despite most of the surface material being transported in nature.

Similar uranium anomalism has been shown on the Bonnie Rock E70/3368, despite only wide-spaced sampling. Recent reconnaissance exploration nearby by other companies has returned a one metre interval of 110ppm U<sub>3</sub>O<sub>8</sub> from aircore drilling, within a broader anomalous intercept. This was reported as being the "*first sign of substantial uranium mineralisation in this postulated new province for sedimentary uranium*" and is considered as support for the exploration concept.

**Murray McDonald  
Executive Chairman**

**Competent Person:** *The contents of this report that relate to geology and exploration results are based on information compiled by consulting geologist Ian Cowden of Iana Pty Ltd, who is a Fellow of the Australasian Institute of Mining and Metallurgy, a Chartered Professional Geologist and a Member of the Australian Institute of Geoscientists. He has sufficient experience relevant to the styles of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a "Competent Person", as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Ian Cowden consents to the inclusion in this report of the matters compiled by him in the form and context in which they appear.*

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

GTI Resources Limited

ABN

33 124 792 132

Quarter ended ("current quarter")

31 March 2008

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(105)	(214)
(b) development	-	-
(c) production	-	-
(d) administration	(111)	(491)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	56	165
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	8	23
<b>Net Operating Cash Flows</b>	<b>(152)</b>	<b>(517)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	(17)	(87)
(c) other fixed assets	(6)	(28)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	47	47
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>24</b>	<b>(68)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(128)</b>	<b>(585)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(128)	(585)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	3,990
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (Capital raising costs)	(46)	(328)
	<b>Net financing cash flows</b>	(46)	3,662
	<b>Net increase (decrease) in cash held</b>	(174)	3,077
1.20	Cash at beginning of quarter/year to date	3,404	153
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	3,230	3,230

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	100
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payment of directors salaries, superannuation, consulting fees, accountancy and corporate services during the quarter.
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**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A
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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A
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**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

**Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation	240
4.2 Development	-
<b>Total</b>	<b>240</b>

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	3,230	3,404
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>3,230</b>	<b>3,404</b>

**Changes in interests in mining tenements**

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	-	-	-	-
6.2 Interests in mining tenements acquired or increased	P45/2521	Transfer registered 17/03/08	90%	90%
	P45/2522	Transfer registered 17/03/08		
	P45/2523	Transfer registered 17/03/08		
	P45/2524	Transfer registered 17/03/08		
	E08/1372	Transfer registered 17/03/08	100%	100%
	E09/1043	Transfer registered 28/02/08	90%	90%
	E08/1846	Application	0%	0%
	E09/1514	Application	0%	0%
	E70/3367	Application	0%	0%
	E70/3368	Application	0%	0%

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	35,000,003	21,500,003		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	5,500,000 4,500,000	- -	<i>Exercise price</i> 30 cents 40 cents	<i>Expiry date</i> 19/12/09 19/12/11
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: ..... Date: 28 April 2008  
(Executive Chairman)

Print name: Murray McDonald

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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