

ACTIVITIES REPORT DECEMBER QUARTER 2009

- **Joint Venture – Artemis Resources Limited – Fieldwork to Begin**
- **Project Generation Continues**
- **Cash at Bank \$1.9 Million**

JOINT VENTURE

Following successful due diligence during the Quarter, Artemis Resources Limited (ASX code: ARV) elected to proceed with a joint venture over the Company's Cambridge Creek, Yangibana and Bali Hi Projects ("Projects").

GTI has received payments of \$150,000 and has been issued 3 million Artemis shares, and retains 30% interest in the Projects (20% Bali Hi). Artemis will spend a minimum of \$205,000 in the first year on exploration, and GTI will have a free carry interest until the commencement of any bankable feasibility study.

Exploration for Rare Earth Elements (REE) will commence at Yangibana during the current quarter, as recently announced by the JV operator.

PROJECT GENERATION - INTERNATIONAL

During the quarter a number of visits to project locations and mine sites were undertaken by GTI's technical team, continuing our efforts in the identification and acquisition of advanced projects. The Company continues to review projects in Indonesia and a number of other overseas countries.

Opportunities are being assessed on an ongoing basis for commodities including coal, gold, nickel, uranium and a range of other minerals predominantly in overseas locations, however we have not as yet identified a project that meets our current criteria so as to advance in the longer term the interests of shareholders.

WESTERN AUSTRALIAN PROJECTS

No field work was carried out on GTI's Western Australian tenure during the period. Exploration is planned in the current quarter for both Silver King and Conical Hill project areas (Iboth 100% GTI).

Two new exploration licences were applied for at Conical Hill (GTI 100%), expanding the project area southwards to include the northernmost margin of the Shoemaker meteorite impact structure. Target minerals include base metals, gold and uranium.

A further two exploration licences were applied for over the new Henry River project area (GTI 100%), prospective for base metals and uranium. Henry River is adjacent to the Cambridge Creek project which was joint ventured to Artemis Resources during the quarter.

Four additional exploration licences were also applied for at Yangibana during the reporting period, to further consolidate the joint venture project area (GTI 30%) which is considered prospective for Rare Earth elements.

Murray McDonald
Executive Chairman

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 Ltd

ABN

33 124 792 132

Quarter ended ("current quarter")

31 December 2009

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration and evaluation	(263)	(688)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(102)	(569)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	18	102
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (non-refundable deposit for JV due diligence)	50	50
Net Operating Cash Flows		(297)	(1,105)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a)prospects	-	-
	(b)equity investments	-	-
	(c)other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	42
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (proceeds from JV of 70% interest in a number of projects; see also Item 2.1)	-	-
		100	100
Net investing cash flows		100	142
1.13	Total operating and investing cash flows (carried forward)	(197)	(963)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(197)	(963)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	300
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)	-	-
	Net financing cash flows	-	300
	Net increase (decrease) in cash held	(197)	(663)
1.20	Cash at beginning of quarter/year to date	2,082	2,548
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,885	1,885

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	176
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.

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

The company was issued 3,000,000 shares in Artemis Resources Limited at 6.3 cents each in part settlement of Joint Venture of 70% interest in a number of projects (see also Items 1.7, 1.12 and ASX announcement of 4 December, 2009)

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

+ See chapter 19 for defined terms.

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	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	200
4.2 Development	-
Total	200

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	1,885	2,082
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (term deposits)	-	-
Total: cash at end of quarter (item 1.22)	1,885	2,082

+ See chapter 19 for defined terms.

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	Cambridge Creek E08/1561	Joint Venture	100%	30%
	E08/1792	Joint Venture	100%	30%
	E08/1834	Joint Venture	100%	30%
	Yangibana E09/1043	Joint Venture	100%	30%
	E09/1049	Joint Venture	100%	30%
	ELA09/1514	Joint Venture	100%	30%*
	ELA09/1703	Joint Venture	100%	30%*
	ELA09/1704	Joint Venture	100%	30%*
	ELA09/1705	Joint Venture	100%	30%*
	ELA09/1706	Joint Venture	100%	30%*
	Bali Hi E08/1372	Joint Venture	90%	20%
6.2 Interests in mining tenements acquired or increased	Henry River ELA08/2098	Application	0%	100%
	ELA08/2099	Application	0%	100%
	Conical Hill ELA69/2695	Application	0%	100%
	ELA69/2701	Application	0%	100%

Note: * tenement in application stage, transfer of interest dependent on grant and approvals

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 Preference securities (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	38,000,003	38,000,003		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)	4,500,000 125,000 125,000	- - -	Exercise price 40 cents 20 cents 30 cents	Expiry date 19/12/11 30/06/11 30/06/11
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter	4,500,000		Exercise price 30 cents	Expiry date 19/12/09
7.11 Debentures (totals only)				
7.12 Unsecured notes (totals only)				

+ 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.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date: 29 January 2010
(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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