

16 February 2018

Ms Hayley Pratt
Adviser, Listings Compliance (Perth)
ASX Compliance Pty Ltd
Level 40 Central Park
152-158 St. George's Terrace
PERTH WA 6000

Dear Hayley

GTI RESOURCES LTD (the "Company")

We refer to your letter dated 13 February 2018 regarding the Company's Appendix 5B for the quarter ended 31 December 2017 (Appendix 5B) and your request for responses to specific questions. Please find below our responses to your queries (adopting the same numbering as in your letter).

1. The Company expects to continue to have negative operating cash flows for the foreseeable future as is normal for a resources exploration company.

Future cash outflows are expected to be restrained as the Company continues to maintain tight controls on overhead and operating expenditure.

2. As outlined in the quarterly activities report for the quarter ended 31 December 2017 (Activities Report), the Board is continuing to investigate alternative funding opportunities to provide ongoing working capital to the Company, including equity raisings, short term unsecured borrowings and joint venture opportunities. The Company has previously shown that it has been successful in securing working capital funding and is confident that additional funding can be secured in the short term.

The Company is continuing to progress preliminary discussions with interested parties relating to certain mining opportunities. When the Company is successful in securing a suitable project, the Board is confident that additional working capital funding will be available to progress the opportunity.

3. As outlined in the Activities Report, short term funding requirements are being satisfied by periodic equity placements and unsecured loan advances from a director on an as required basis. The Company is of the belief that it will have sufficient working capital and financial support to fund its ongoing business activities.
4. The Company considers that it is in compliance with ASX Listing Rule 12.2 for the reasons outlined above. The Company continues to develop its existing assets along with investigating additional new investment opportunities. In addition, and relevantly for an exploration entity,

the Company is constantly assessing its funding requirements commensurate to the level of its exploration activities such that it has a reasonable expectation that it will be able to fund its future activities.

5. The Company confirms that it is in compliance with the ASX Listing Rules and, in particular, with ASX Listing Rule 3.1.
6. We confirm that the Company's responses to the questions have been authorised by an officer of the Company with delegated authority from the Board to respond to the ASX on disclosure matters.

Yours faithfully

For and on behalf of GTI Resources Ltd

A handwritten signature in black ink, appearing to read 'Murray McDonald', with a stylized flourish at the end.

Murray McDonald
Executive Chairman



13 February 2018

Mr Frank Campagna
Company Secretary
GTI Resources Limited
A1
118 Railway Street
WEST PERTH WA 6005

By email: campagna@inet.net.au

Dear Mr Campagna

GTI Resources Limited ("GTR"): Appendix 5B Query

I refer to GTR's Appendix 5B quarterly report for the period ended 31 December 2017 lodged with ASX Market Announcements Platform on 30 January 2018 (the "Appendix 5B").

ASX notes that GTR has reported:

- negative net operating cash flows for the quarter of \$52,000;
- cash at the end of the quarter of \$8,000; and
- estimated cash outflows for the next quarter of \$40,000.

It is possible to conclude, based on the information in the Appendix 5B that if GTR were to continue to expend cash at the rate indicated by the Appendix 5B, GTR may not have sufficient cash to continue funding its operations. In view of that, ASX asks GTR to respond separately to each of the following questions and requests for information:

1. Does GTR expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has GTR taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does GTR expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please provide any other information that GTR considers may be relevant to ASX forming an opinion on whether GTR is in compliance with Listing Rule 12.2 (a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing).
5. Please confirm that GTR is in compliance with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that Rule that has not already been released to the market.

6. Please confirm that GTR's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of GTR with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than **2.00pm WST on Friday, 16 February 2018**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in GTR's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, GTR's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at Hayley.Pratt@asx.com.au and to tradinghaltspert@asx.com.au. It should **not** be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to GTR's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that GTR's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in GTR's securities under Listing Rule 17.1.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely,

[sent electronically without signature]

Hayley Pratt

Adviser, Listings Compliance (Perth)

P: (08) 9224 0052

E: Hayley.Pratt@asx.com.au