

19 March 2018

ASX Market Announcements
ASX Limited
Level 4
20 Bridge Street
SYDNEY NSW 2000

CAPITAL RAISING

GTI Resources Ltd (Company) is pleased to advise that the Company has entered into a mandate with CPS Capital Group Pty Ltd (CPS Capital) for an initial firm capital raising of \$395,675 through the placement of 23,275,000 ordinary fully paid shares in the Company at an issue price of 1.7 cents (Tranche 1 Placement). The Tranche 1 Placement is expected to be completed by 23 March 2018.

Subject to shareholder approval, an attaching free option over ordinary fully paid shares in the Company (Options) will be issued on the basis of one Option for every two shares subscribed under the Tranche 1 Placement. The Options will be exercisable at 3 cents each on or before 30 December 2021.

Funds raised from the Tranche 1 Placement will be used as working capital for the Company, for repayment of unsecured loans amounting to \$100,000 made by the Executive Chairman of the Company, Murray McDonald and to continue ongoing evaluation of additional project opportunities. The Tranche 1 Placement is being made pursuant to the Company's existing placement capacity under ASX Listing Rules 7.1 and 7.1A.

Subject to shareholder approval under ASX Listing Rule 7.1, a further placement of 33,000,000 shares at an issue price of 1.7 cents per share will be made to raise an additional \$561,000 for the Company (Tranche 2 Placement). A free attaching Option will be issued to subscribers to the Tranche 2 Placement on the basis of one Option for every two shares subscribed for.

The Tranche 2 Placement is also subject to shareholder approval for the issue of 10,000,000 shares at a deemed issue price of 1.7 cents to the Executive Chairman, Murray McDonald. Mr McDonald has agreed to waive all outstanding salary and employment entitlements due from the Company.

A fee of 6% of the amounts raised under the Tranche 1 Placement and Tranche 2 Placement is payable to CPS Capital along with the issue of 7,000,000 Options (subject to shareholder approval).

In accordance with ASX Listing Rule 3.16.4, the Company advises that it has entered into a variation of the terms of the employment agreement with Mr McDonald in his role as Executive Chairman, the material terms of which are as follows:

- salary of \$185,000 per annum plus statutory superannuation.
- contribution of \$1,000 for lease of motor vehicle.
- initial term of two years and shall continue thereafter until either the Company or the executive gives six months notice of termination.

- acknowledgement that the executive has provided unsecured loan funds of \$100,000 to the Company and that accrued and unpaid salary entitlements due to the executive amount to \$500,000. Under the terms of the agreement with CPS Capital, the unsecured loan will be repaid from the proceeds of the First Tranche Placement and subject to shareholder approval for the issue of 10,000,000 shares to the executive, accrued and unpaid salary entitlements due to the executive will be waived.

The proposed capital raisings and satisfaction of liabilities represents a recapitalisation of the Company in order to continue with ongoing explorations activities on the Company's existing tenement portfolio and to investigate additional project opportunities for the Company.

A notice of meeting will be prepared and despatched to shareholders to seek approval for the proposals outlined above.

Yours sincerely

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

Murray McDonald
Chairman