

2 September 2019

Dear Shareholder

## Fully Underwritten Non-Renounceable Pro-Rata Entitlement Offer to raise A\$1m

As originally announced on 1 July 2019 and again on 2 September 2019, GTI Resources Ltd (ASX:GTR) (**GTR** or the **Company**) will be undertaking a fully underwritten non-renounceable entitlement offer of one (1) fully paid ordinary share (**Share**) for every two (2) Shares held by Eligible Shareholders (defined below), at an issue price of \$0.01 per Share to raise \$1,014,091 (**Entitlement Offer**). The Entitlement Offer is fully underwritten by CPS Capital Group Pty Ltd (**CPS**) who will also act as lead manager.

An offer document containing information in respect of the Entitlement Offer was announced on the Australian Securities Exchange on 2 September 2019 (**Offer Document**).

The Entitlement Offer is being undertaken in conjunction with a placement to sophisticated investors. Tranche 1 of the Placement will offer 40,000,000 Shares to sophisticated investors at an issue price of \$0.01 to raise \$400,000 (before costs) (**Tranche 1 Placement**). A total of 24,422,721 Shares pursuant to the Tranche 1 Placement was completed using the Company's existing 15% placement capacity under Listing Rule 7.1 and the remaining 15,577,279 Shares (recently approved by Shareholders at the General Meeting held on 21 August 2019) will be issued prior to the Record Date for the Entitlement Offer in order to allow those Tranche 1 Placement holders the ability to take up their Entitlement.

The Company will also undertake an additional placement of 60,000,000 Shares at an issue price of \$0.01 to raise \$600,000 (before costs) to sophisticated investors (**Tranche 2 Placement**). The Tranche 2 Placement will be completed after the Record Date and as such investors under the Tranche 2 Placement will not be entitled to participate in the Entitlement Offer.

The Entitlement Offer is being made to all shareholders of the Company named on its register of members as at 5:00pm (WST) on 6 September 2019 (**Record Date**), whose registered address is in Australia and New Zealand (**Eligible Shareholders**).

In consideration for its services as Underwriter and lead manager, CPS will receive:

- (a) at CPS' election, its 6% capital raising fee for both the Entitlement Issue and the Placement in shares in the Company (equating to a total of 12,084,544 Shares);
- (b) as part of its services, CPS will receive a monthly corporate advisory fee of A\$4,000 (plus GST) for a minimum term of twelve (12) months; and
- (c) in addition, CPS will also receive 30,000,000 options to acquire Shares exercisable at 3c and expiring on 31 December 2021.

Funds raised under the Entitlement Offer (together with funds raised under the Placement) will be allocated towards expenditure on the proposed new projects in Utah, USA, expenditure on the Company's existing Western Australian properties, costs of the Entitlement Offer and the Placement and for working capital purposes.

## Use of Funds

The Company intends to apply the funds raised under both the Placement and the Offer over the next twelve (12) months as follows:

Capital Raisings	\$	%
Placement	1,000,000	49.7%
Rights Issue	1,014,091	50.3%
<b>Total</b>	<b>2,014,091</b>	<b>100.0%</b>
Items of Expenditure	\$	%
Expenditure on proposed new projects in Utah, U.S. <sup>1</sup>	1,000,000	49.7%
Expenditure on existing properties in Western Australia <sup>2</sup>	182,250	9.0%
Working capital <sup>3</sup>	801,841	39.8%
Expenses of the Offer	30,000	1.5%
<b>Total</b>	<b>2,014,091</b>	<b>100</b>

**Note:**

1. To be allocated towards the following: geological mapping and drone survey, ground based radon survey, trenching, phase 1 & 2 drilling program and bulk sample and metallurgical test work.
2. To be allocated towards an initial geological survey and a mapping program on the Company's Meekatharra VMS Project.
3. Funds allocated to working capital will be used for future administration expenses of the Company, including administration fees, Director's remuneration and other administration and obligatory overheads and towards future acquisitions.
4. As at 30 June 2019, the Company has existing cash reserves of \$254,000 which is intended to be used in order of priority as outlined in Notes 1 to 4 above.

The above tabled expenditures represent a statement of current intentions as of the date of the Offer Document. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

All of the Shares offered under the Entitlement Offer will rank equally with the Company's existing Shares on issue.

Following completion of the Entitlement Offer and Placement, and assuming all Entitlements are accepted the number of Shares on issue in the Company will increase from 187,240,860 Shares as at the date of the Offer Document, to 364,227,209 Shares.

## Offer Document

A copy of the Offer Document together with an Entitlement and Acceptance Form will be sent to Eligible Shareholders by 10 September 2019, and will be made available on the Company's website [www.gtiresources.com.au](http://www.gtiresources.com.au). Your Entitlement (**Entitlement**) will be set out on the personalised Entitlement and Acceptance Form accompanying the Offer Document.

For the purposes of calculating each Eligible Shareholders' Entitlement, fractions of Entitlements will be rounded up to the nearest whole number.

Eligible Shareholders should read the Offer Document in full in deciding whether to subscribe for Shares. Any Eligible Shareholder who wishes to acquire Shares under the Entitlement Offer will need to complete, or otherwise apply in accordance with, the personalised Entitlement and Acceptance Form that will accompany the Offer Document.

Any Entitlement not taken up pursuant to the Entitlement Offer will form part of the shortfall offer (**Shortfall Offer**). The Shortfall Offer is a separate offer pursuant to the Offer Document and will remain open for up to three months following the closing date of the Entitlement Offer. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.01 being the price at which Shares have been offered under the Entitlement Offer.

Full details as to how you may accept the Entitlement Offer (or part thereof) and how to participate under the Shortfall Offer is set out in the Offer Document.

**Indicative Timetable:**

Company Announces Rights Issue and Placement	1 July 2019
General Meeting is held	21 August 2019
Lodgement of Offer Document, Appendix 3B and s708AA Cleansing Notice with ASX (Prior to the commencement of trading) Notice sent to optionholders	2 September 2019
Completion of Tranche 1 Placement	3 September 2019
Notice sent to shareholders	4 September 2019
Ex-date	5 September 2019
Record Date for determining Entitlements	6 September 2019
Completion of Tranche 2 Placement	9 September 2019
Offer Document sent out to Eligible Shareholders & Company announces this has been completed & Offer Opening Date	10 September 2019
Closing Date	19 September 2019
Shares quoted on a deferred settlement basis	20 September 2019
ASX notified of under subscriptions	24 September 2019
Issue date/Shares entered into Shareholders' security holdings	25 September 2019

# **GTI** RESOURCES LTD

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Dispatch of holding statements	26 September 2019
Quotation of Shares issued under the Offer	27 September 2019

\*The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. As such the date the Shares are expected to commence trading on ASX may vary.

**- Ends -**

**Murray McDonald**  
**Chairman**