



GTI RESOURCES LIMITED

ACN 124 792 132

PROSPECTUS

For the offer of up to 100 Shares each at an issue price of \$0.037 per Share

THIS PROSPECTUS IS BEING ISSUED UNDER SECTION 708A(11) OF THE CORPORATIONS ACT FOR THE PURPOSE OF FACILITATING SECONDARY TRADING OF SECURITIES ISSUED PRIOR TO THE CLOSING DATE

THIS OFFER CLOSSES AT 5.00PM AWST ON 29 MAY 2020

VALID APPLICATIONS MUST BE RECEIVED BEFORE THAT TIME.

Please read the instructions in this Prospectus and on the accompanying Application Form prior to applying for Shares under the Offer.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY.

THE SHARES OFFERED BY THIS PROSPECTUS ARE OF A SPECULATIVE NATURE. IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.

CORPORATE DIRECTORY

Directors
Mr Nathan Lude (Non-Exec. Chairman) Mr Bruce Lane (Executive Director) Mr Petar Tomasevic (Non-Exec. Director)
Company Secretary
Ms Emma Gilbert Mr Bruce Lane
Registered and Corporate Office
Level 1, 89 St Georges Terrace Perth WA 6000 Australia
Telephone: +61 8 9226 2011
Share Registry*
Advanced Share Registry Services 110 Stirling Highway Nedlands WA 6009 Telephone: (08) 9389 8033
Stock Exchange Listing
Australian Securities Exchange Home Exchange: Perth, WA ASX Code: GTR

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*This entity has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus. Its name is included for information purposes only.

IMPORTANT INFORMATION

This Prospectus is dated 28 May 2020. A copy of the Prospectus was lodged with ASIC on that date. ASIC and ASX take no responsibility for the contents of this Prospectus. No Shares will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

A copy of this Prospectus is available for inspection at the registered office of the Company at Level 1, 89 St Georges Terrace, Perth WA 6001 during normal business hours. The Company will also provide copies of other documents on request (see Section 4.3).

The Company will apply to ASX within 7 days of the date of this Prospectus for Official Quotation by ASX of the Shares offered by this Prospectus.

Applications for Shares will only be accepted on an Application Form which is attached to, or provided by the Company with a copy of this Prospectus. The Corporations Act prohibits any person from passing on to another person an Application Form unless it is accompanied by a complete and unaltered copy of this Prospectus.

The Company is a disclosing entity listed on the ASX and this Prospectus is issued under section 713 of the Corporations Act 2001 (Cth) in reliance on information previously disclosed to the ASX by the Company. It does not contain, by itself, all information that would be contained in a prospectus for an initial public offering or all information relevant to a decision to invest in the Company.

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

No action has been taken to permit the Offer of Shares under this Prospectus in any jurisdiction other than Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

This document is important and should be read in its entirety before deciding to participate in the Offer. This does not take into account the investment objectives, financial or taxation or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to his/her particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult his/her stockbroker, solicitor, accountant or other professional adviser without delay. The Shares offered by this Prospectus should be considered speculative. Please refer to Section 2 for details relating to investment risks.

By returning an Application Form, you acknowledge that you have received and read this Prospectus and you have acted in accordance with the terms of the Offer detailed in this Prospectus.

Definitions of certain terms used in this Prospectus are contained in Section 6. All references to currency are to Australian dollars and all references to time are to AWST, unless otherwise indicated.

1. Details of the Offer

1.1 The Offer

The Company is offering pursuant to this Prospectus 100 Shares each at an issue price of \$0.037 per Share (**Offer**).

There is no minimum amount sought to be raised by the Offer. There is no provision for oversubscriptions.

The Offer is not underwritten.

Refer to Section 4.1 for a summary of the rights attaching to the Shares.

1.2 Purpose of the Offer

Generally, section 707(3) of the Corporations Act requires that a prospectus is issued in order for a person to whom securities were issued without disclosure under Part 6D of the Corporations Act to on-sell those securities within 12 months of the date of their issue.

The Corporations Act provides an exception to section 707(3) where an entity issues a 'cleansing' notice under section 708A(5) within 5 days of the date of issue of the securities. The Company has not been suspended from trading on the ASX for more than 5 days in the last 12 months and as a result is not precluded from issuing a 'cleansing' notice in accordance with section 708A(5) of the Corporations Act.

Section 708A(11) of the Corporations Act provides another exemption from the general requirement under section 707(3) where:

- (a) The relevant securities are in a class of securities of the company that are already quoted on ASX;
- (b) A prospectus is lodged with ASIC either:
 - (i) on or after the date on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the date on which the relevant securities were issued; and
- (c) The prospectus is for an offer of securities issued by the Company that are in the same class of securities as the relevant securities.

Accordingly, the purposes of this Prospectus are to:

- (a) make the Offer; and
- (b) ensure that any on-sale of Shares issued by the Company prior to the Closing Date do not breach section 707(3) of the Corporations Act. These include but are not limited to any Shares issued upon the exercise of unquoted options.

The Shares issued under the Offer will be issued under the Company's existing placement capacity under Listing Rule 7.1. The Company will raise \$3.70 under the Offer (before costs). The total estimated expenses of the Offer of \$4,000 will be paid by the Company from its cash reserves.

On 19 May 2020 the Company advised it had issued a total of 38,911,365 Shares following the exercise of the following classes unquoted options:

- 13,161,365 options exercisable at \$0.03 expiring 31 December 2021; and
- 25,750,000 options exercisable at \$0.03 expiring 30 December 2021

(together, the **New Shares**).

The New Shares were issued to either "Sophisticated Investors" or "Professional Investors" within the meaning of sections 708(8) and 708(11) of the Corporations Act.

This Prospectus has been issued to facilitate secondary trading of New Shares. A prospectus is required under the Corporations Act to enable persons who were issued Shares the subject of this Prospectus to on-sell those Shares within 12 months of their issue.

The Company is not issuing the Shares pursuant to the Offer with the purpose of the persons to whom they are being issued selling or transferring their Shares, or granting, issuing or transferring interests in those Shares within 12 months of the issue but this Prospectus provides them the ability to do so should they wish.

Accordingly, the purpose of this Prospectus is to:

- (a) make the Offer; and
- (b) ensure that the on-sale of the New Shares do not breach Section 707(3) of the Corporations Act by relying on the exemption to the secondary trading provisions in Section 708A(11) of the Corporations Act.

1.3 Opening and Closing Dates

The Company will accept Application Forms until 5.00pm AWST on the Closing Date, being 29 May 2020, or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules.

1.4 Application for Shares

If you wish to subscribe for Shares pursuant to the Offer, you should complete and return the Application Form, which will be provided with a copy of this Prospectus by the Company at the Board's discretion, in accordance with the instructions in the Application Form. Completed Application Forms and Application Monies must be received by the Company prior to 5.00pm AWST on the Closing Date. Cheques must be made payable to "GTI Resources Limited – Applications Account" and crossed "Not Negotiable". All cheques must be in Australian currency. Application Forms should be mailed to GTI Resources Limited, Level 1, 89 St Georges Terrace, Perth, WA, 6000 or delivered to the Company's registered office.

If you are in doubt as to the course of action, you should consult your professional advisor.

Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of Shares accepted by the Company. The Application Form does not need to be signed to be a binding Application for Shares.

If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the Application as valid and how to construe, amend or complete the Application Form is final.

1.5 Application Monies

All Application Monies received for the Shares will be held in trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the Shares are issued. All Application Monies will be returned (without interest) if the Shares are not issued.

1.6 Issue of Shares

The Company may issue the Shares progressively as Applications are received and in any event, will issue all Shares as soon as possible after the Closing Date.

Shareholder statements will be dispatched as soon as possible after the issue of the Shares.

It is the responsibility of Applicants to determine their allocation prior to trading in the Shares. Applicants who sell Shares before they receive their holding statements will do so at their own risk.

1.7 ASX quotation

Application will be made to ASX no later than 7 days after the date of this Prospectus for the Official Quotation of the Shares offered under the Offer. If permission is not granted by ASX for the Official Quotation of the Shares offered by this Prospectus within 3 months after the date of this Prospectus (or such period as ASX allows), the Company will repay, as soon as practicable, without interest, all Application Monies received pursuant to this Prospectus.

1.8 CHESS

The Company participates in the Clearing House Electronic Subregister System, known as CHESS. ASTC, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and Securities Clearing House Business Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Shares. If you are broker sponsored, ASTC will send you a CHESS statement.

The CHESS statement will set out the number of Shares issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Shares.

If you are registered on the Issuer Sponsored subregister, your statement will be dispatched by Automic Pty Ltd and will contain the number of Shares issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

1.9 Residents outside Australia

This Prospectus, and the accompanying Application Form, do not, and are not intended to, constitute an offer of Shares in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus or the Shares. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

1.10 Risk factors

An investment in Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are set out in Section 2.

1.11 Taxation implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for Shares under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders. As a result, Shareholders should consult their professional tax adviser in connection with subscribing for Shares under this Prospectus.

1.12 Major activities and financial information

A summary of the major activities and financial information relating to the Company for the financial year ended 31 December 2019 is in the Annual Report which was lodged with ASX on 23 April 2020 and is available at www.asx.com.au.

A summary of activities relating to the Company for the half-year ended 30 June 2019 is included in the Half Yearly Report, lodged with the ASX on 16 September 2019.

The Company's continuous disclosure notices (i.e. ASX announcements) since 23 April 2020 are listed in Section 4.3.

Copies of these documents are available free of charge from the Company. Directors strongly recommend that Shareholders review these and all other announcements prior to deciding whether or not to participate in the Offer.

1.13 Enquiries concerning Prospectus

Enquiries relating to this Prospectus should be directed to the Company Secretary by telephone on +61 (0)8 9226 2011.

1.14 Privacy

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third-party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application. An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

2. Risk Factors

Activities in the Company and its controlled entities, as in any business, are subject to risks, which may impact on the Company's future performance. The Company and its controlled entities have implemented appropriate strategies, actions, systems and safeguards for known risks, however, some are outside its control.

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which Shareholders need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company. Shareholders should carefully consider the following factors in addition to the other information presented in this Prospectus.

The principal risks include, but are not limited to, the following:

2.1 Specific Risks associated with the Company

(a) **Changes in Legislation and Government Regulation**

Changes to legislation or government policy in Australia and the United States, including changes to the taxation system, may affect future earnings and the relative attractiveness of investing in the Company.

(b) **Economic Conditions**

Economic conditions in Australia, the United States and globally, may affect the performance of the Company. Factors such as currency fluctuations, inflation, interest rates, supply and demand and industrial disruption may have an impact on operating costs and share market prices. The Company's future possible revenue and securities' price can be affected by these factors all of which are beyond the control of the Company or its Directors. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company. In addition, the Company's ability to raise additional capital, should it be required, may be affected.

(c) **Foreign Exchange Risk**

The Company has substantial business undertakings based in the United States. The business undertakings are primarily denominated in United States dollar. The Company functional and presentational currency is Australian Dollars. This will result in the income, expenditure, assets, liabilities and cash flows of the Company being exposed to the fluctuations and volatility of the price of uranium and the exchange rates, as determined in international markets.

(d) **Uranium Price Volatility-United States Market**

The demand for, and price of, uranium is dependent on a variety of factors, including supply and demand, the level of consumer product demand, weather conditions, the price and availability of alternative fuels, actions taken by governments and international cartels, and global economic political developments.

(e) **Competition**

The uranium exploration and mining industry is highly competitive, and the Company competes with other companies that have greater resources. Many of these companies not only explore for and produce uranium, but also market uranium and other products on a regional, national, or worldwide basis. These companies may be able to pay more for productive uranium properties and exploratory prospects or define, evaluate, bid for and purchase a greater number of properties and prospects

than our financial or human resources permit. In addition, these companies have a greater ability to continue exploration activities during periods of low uranium market prices. The larger competitors may be able to absorb the burden of present and future federal, state, local or other laws and regulations more easily than the Company can, which adversely affects the Company's competitive position. The Company's ability to acquire additional properties and to discover productive prospects in the future depend upon its ability to evaluate and select suitable properties and to consummate transactions in a highly competitive environment. In addition, because the Company has fewer financial and human resources than many companies in this industry, it may be at a disadvantage in bidding for exploratory prospects and producing uranium properties.

(f) **Uranium Exploration and Mining Operations in the United States**

Mineral Operations on State and Federal Lands; Mining leases are issued either by the Schools and Institutional Trust Land Administration of the State of Utah or the Bureau of Land Management, an agency of the federal United States Department of the Interior. These agencies each have exclusive authority over state and federal lands. Under existing law, metalliferous mineral leases in Utah do not provide exclusive access to the area within the lease. Other co-existing leases issued by the same agencies may exist, for example for coal, oil and gas, industrial minerals, bituminous sands and for surface rights. Presently, oil and gas leases issued by the United States Bureau of Land Management cover the majority of lands subject to unpatented mining claims owned by the Company. Both the Company and entities with rights to develop other minerals or use the land surface may be limited to the extent their activities interfere with operations of the other parties.

(g) **Regulation in the United States – General**

Uranium mining operations are subject to comprehensive regulation in the United States, which may cause substantial delays or require capital outlays in excess of those anticipated, causing an adverse effect on the Company.

If economic quantities of uranium are found on any permit owned by the Company in sufficient quantities to warrant uranium mining operations, such mining operations are subject to federal, state, and local laws relating to the protection of the environment, including laws regulating removal of natural resources from the ground and the discharge of materials into the environment. Uranium mining operations are also subject to federal, state, and local laws and regulations which seek to maintain health and safety standards by regulating the design and use of mining methods and equipment. Various permits from government bodies are required for mining operations to be conducted; no assurance can be given that such permits will be received. Environmental standards imposed by federal, state, or local authorities may be changed, and any such changes may have material adverse effects on the Company's activities. Moreover, compliance with such laws may cause substantial delays or require capital outlays in excess of those anticipated, thus resulting in an adverse effect on the Company. Additionally, the Company may be subject to liability for pollution or other environmental damages which it may elect not to insure against due to prohibitive premium costs and other reasons. To date the Company has not been required to spend material amounts on compliance with environmental regulations. However, it may be required to do so in future, and this may affect its ability to expand or maintain its operations.

Permits are required by the state for drilling operations, drilling bonds and the filing of reports concerning operations and they impose other requirements relating to the exploration and production of uranium.

The Company is required to comply with various federal and state regulations regarding rehabilitation and abandonment of uranium exploration and mining works,

which impose a substantial rehabilitation obligation on the Company, which may have a material adverse effect on the Company's financial performance.

(h) **Environmental Regulation of Mining Operations in Particular**

Uranium minerals exploration and development and mining activities are subject to certain environmental regulations which may prevent or delay the commencement or continuance of the Company's operations.

Uranium minerals exploration and development and future potential uranium mining operations are or will be subject to stringent federal, state, and local laws and regulations relating to improving or maintaining environmental quality. The Company's operations are also subject to many environmental protection laws. Environmental laws often require parties to pay for remedial action or to pay damages regardless of fault. Environmental laws also often impose liability with respect to divested or terminated operations, even if the operations were terminated or divested of many years ago.

Many of these problems are compounded by the fact that many former mining operations in south-eastern Utah were not rehabilitated upon mine closure. This has meant that the Federal and State governments were left with the responsibility for the cleanup and rehabilitation of many former mine and processing sites. Whilst the authorities have implemented a rehabilitation program for several sites, there are still many others which remain in a disturbed state. As a result, there are several environmental factions who strongly oppose the recommencement of uranium mining and processing operations in south-eastern Utah. Costs associated with environmental liabilities and compliance are expected to increase with the increasing scale and scope of operations and the Company expects these costs may increase in the future.

Any change to government regulation/administrative practices may have a negative impact on the Company's ability to operate and its profitability. The laws, regulations, policies or current administrative practices of any government body, organization or regulatory agency in the United States may be changed, applied or interpreted in a manner which will fundamentally alter the Company's ability to carry on business. The actions, policies or regulations, or changes thereto, of any government body or regulatory agency, or other special interest groups, may have a detrimental effect on the Company. Any or all of these situations may have a negative impact on the Company's ability to operate and/or its profitability.

(i) **Regulation in the United States- Sale of Uranium**

Sales of uranium are not regulated and are generally made at market prices. The price received from the sale of these products is affected by the cost of transporting the products to market.

(j) **Exploration and Development Risks**

Uranium exploration involves significant risk. There is no assurance that exploration and development of the prospects in the Company's properties in the United States, or any other projects that may be acquired in the future, will result in the discovery of an economic uranium deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be profitably exploited.

Furthermore, the Company may only proceed to the next stage of exploration or development when data supports the existence of an economically viable uranium deposit. Should the empirical data not support the existence of economically viable uranium deposit, the Company may not proceed to the next stage of exploration.

(k) **Drilling and Operating Risks**

Uranium drilling activities are subject to numerous risks, many of which are beyond the Company's control. The Company's operations may be curtailed, delayed or cancelled as a result of such risks. Hazards incident to the exploration and development of uranium properties such as unusual or unexpected geological formation, ground conditions or other factors are inherent in drilling and operating mines and may be encountered by the Company. Success in mining uranium is also impacted by the ground and water conditions present on the properties and adverse conditions or adverse claims to water rights would likely have a material adverse effect in the Company and the financial results of operations.

Industry operating risks include the risk of fire, explosions, equipment failure, environmental and geological hazards, the occurrence of any of which could result in substantial losses to the Company. Although the Company believes that it or the operator will carry adequate insurance with respect to its operations in accordance with industry practice, in certain circumstances the Company's or the operator's insurance may not cover or be adequate to cover the consequence of such events. In addition, the Company may be subject to liability for pollution or other hazards against which the Company or the operator does not insure or against which it may elect not to insure because of high premium costs or other reasons.

Poor weather conditions over a prolonged period may adversely affect mining and exploration activities and the timing of earning revenues.

Exploration is costly and involves exacting techniques which must be applied over extended periods of time. The Company's projects are at an exploration stage and the Company cannot foresee whether the planned exploration programmes will generate positive results. Furthermore, there is no guarantee that the Company's exploration activities will succeed in the discovery of a commercially viable ore deposit.

(l) **Ability to Exploit Successful Discoveries**

It may not always be possible for the Company to participate in the exploitation of successful discoveries made in any areas in which the Company has an interest. Such exploitation will involve the need to obtain the necessary licenses or clearances from the relevant authorities, which may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. The decision to proceed to further exploitation may require the participation of other companies whose interests and objectives may not be the same as those of the Company. As described above, such further work may require the Company to meet or commit to financing obligations for which it may not have planned. Rig or equipment availability may also affect the timing of further development.

(m) **Contractors and Joint Venturers**

The Company may also be exposed to risks associated with the financial or performance failure, default or litigation (actual or potential) by a participant in any joint ventures or other contractual relationships to which the Company is, or may become, a party.

(n) **Title Risk**

(i) **Filing Requirements**

The Company owns unpatented mining claims in a majority of the lands in which it intends to acquire interests. The United States of America owns mineral rights in these lands. Under United States federal law maintenance fees must be paid every year and documents must be filed with the United States Bureau of Land Management and in the records of the county where the mining claims are located. Failure to timely pay the fees or file these documents results in the claims becoming null and void.

(ii) Possessory Rights and Exploration Obligations

Until the Company discovers minerals in commercial quantities, it must diligently search for minerals and exclude rival claimants from the unpatented mining claims. There is no guarantee that the Company will find minerals and be able to retain rights to the unpatented mining claims.

(iii) Native Title (Australia)

The Native Title Act recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with Native Title in Australia and this may impact on the Company's operations and future plans.

Native Title can be extinguished by valid grants of land (such as freehold title) or waters to people other than the Native Title holders or by valid use of land or waters. Native Title is not necessarily extinguished by the grant of mining leases, although a valid mining lease prevails over Native Title to the extent of any inconsistency for the duration of the title.

Tenements granted before 1 January 1994 are valid or validated by the Native Title Act. The Tenement was granted prior to 1 January 1994 and accordingly suspends the operation of native title within the tenement area for the life of the Tenement.

The existence of a Native Title Claim is not an indication that Native Title in fact exists on the land covered by the claim, as this matter is ultimately determined by the Federal Court.

(iv) Aboriginal Heritage (Australia)

The Company must comply with Aboriginal heritage legislation requirements which include the requirement to conduct heritage survey work prior to the commencement of operations.

The Company is aware of various areas of indigenous significance and Aboriginal heritage sites of considerable cultural value both to the local indigenous communities and the broader community generally. These heritage sites require the Company to comply with the Aboriginal Heritage Act in respect of any ground disturbing activities. Prior to commencing significant ground disturbing activities, including mining, the Company will need to consult with local traditional owners regarding the likely impact that the proposed activities may have on such areas.

There is no guarantee that the Company will be able to deal with the above issues in a satisfactory or timely manner and accordingly such issues may increase the proposed time periods for the conduct of the Company's proposed activities and also limit the Company's ability to conduct its proposed activities on the Tenement including ultimately commencing mining operations.

(v) Certain of our mineral properties remain subject to perfection of title.

Under the acquisition agreement and its amendments, between Voyager Energy Pty Ltd and Ausi Projects LLC (**Acquisition Agreement**), the Bruce claims (20 Claims) have been validly registered at the US Bureau of Land Management (**BLM**) by Ausi Projects LLC but are yet to be transferred to the Company and perfected at the BLM. The deferred consideration shares under the Acquisition Agreement, which relate to these claims, are yet to be issued. These claims may not be successfully transferred to the Company and the deferred consideration shares may not be issued.

The Company may incur significant costs related to defending the title to our properties. A successful claim contesting our title to a property may cause us to compensate other persons or perhaps reduce our interest in the affected property or lose our rights to explore and develop that property. This could result in the Company not being compensated for prior expenditures relating to the property.

(o) **Exploration and Development Capital**

Exploration reduces the cash reserves of the Company. The Company may be dependent on seeking development capital elsewhere, through equity raisings, debt, spin offs or joint venture financing, to support long term exploration and evaluation of its projects. In the event that an economic deposit is discovered, the ability to exploit such a deposit is likely to be subject to the Company's ability to raise the necessary development finance through equity raisings, debt, spin offs or joint venture financings. The Company cannot provide any guarantees that such finance for exploration, or for mining will be available to the Company at such time in the future as it may be required and this could lead to the loss of tenements.

(p) **Investment Risk**

The price of the Company's securities quoted on the ASX is influenced by international and domestic factors or even on a day to day basis by individual investor's decisions to buy or sell the Company's securities. Should these produce a negative effect on the securities' price, this may also affect the Company's ability to raise additional development capital.

There can be no guarantee that an active market in securities will develop or that the price of the securities will increase. Moreover, there may be relatively few buyers or a relatively high number of sellers of the securities on the ASX at any given time, which may increase not only the volatility of the market price of the securities but also the prevailing price at which the Shareholders can sell their securities. This may result in holders of securities receiving a market price for their securities that is less than the price paid for their securities.

The Company's projects were principally selected on the basis of their prospectivity for uranium as perceived by the Company. Therefore, it would be reasonable to expect that the Company's market appeal and in the event, it produces uranium, its revenues will be affected by the price of uranium. Uranium prices may fluctuate widely and are affected by numerous industry factors beyond the Company's control. These factors may include currency exchange rates and global and regional demand and supply and political and economic factors. Also, the value of international investors' shareholdings could diminish due to currency exchange rate fluctuations.

General economic conditions may affect inflation and interest rates, which in turn may impact upon the Company's operating costs and financing. Other factors that may adversely affect the Company's activities in Australia, the United States or elsewhere include changes in government policies, natural disasters, industrial disputes and social unrest or war on a local or global scale.

Changes to tax legislation and regulation or their interpretation may adversely affect the value of an investment in Shares and may affect Shareholders differently.

Changes in accounting standards or the interpretation of those accounting standards that occur after the date of this Prospectus may impact adversely on the Company's reported financial performance.

(q) **Acts of Terrorism or an Outbreak of International Hostilities**

Acts of terrorism or an outbreak of international hostilities may adversely affect the demand for the Company's products. These, or an associated adverse change in sentiment with respect to the share market, could negatively impact on the value of an investment in the Company.

Acts of terrorism may also directly impact the Company's projects in the United States.

(r) **Risks specific to the Company**

The Company is reliant on a number of key personnel and consultants. The Company has a small management team and the Loss of one or more of these key contributors could have a material adverse impact on the business and operational performance of the Company. The Company may be unable to retain key employees or consultants or recruit additional qualified personnel. Whilst the Board has sought to and will continue to ensure the Directors and any key employees are appropriately incentivised, their services cannot be guaranteed. The Company may be required to spend significant sums of money to locate and train new employees in the event any of its employees resign or: terminate their employment with the Company for any reason.

(s) **Other Risks**

The future viability and profitability of the Company is also dependent on a number of other factors affecting performance of all industries and not just the exploration and mining industries, including, but not limited to, the following:

- currency exchange rate fluctuations;
- the strength of the equity and share markets in Australia and throughout the world;
- general economic conditions in Australia and its major trading partners and, in particular, inflation rates, interest rates, commodity supply and demand factors and industrial disruptions;
- financial failure or default by a participant in any of the joint ventures or other contractual relationship to which the Company is, or may become, a party; and
- industrial disputation in Australia, the United States and elsewhere.

(t) **Speculative Nature of Investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Options offered under this Prospectus.

2.2 General Risks

(a) **Economic and government risks**

The future viability of the Company is also dependent on a number of other factors affecting performance of all industries and not just the oil and gas industry including, but not limited to, the following:

- (i) general economic conditions in jurisdictions in which the Company operates;
- (ii) changes in government policies, taxation and other laws in jurisdictions in which the Company operates;
- (iii) the interpretation of taxation laws by the relevant taxation authority differing from the Company's interpretation;
- (iv) the strength of the equity and share markets in Australia and throughout the world, and in particular investor sentiment towards the oil and gas industry;
- (v) movement in, or outlook on, exchange rates, interest rates and inflation rates in jurisdictions in which the Company operates; and

- (vi) natural disasters, industrial disputes, social upheaval or war in jurisdictions in which the Company operates.

(b) **Financial markets risks**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions may be affected by many factors including, but not limited to, the following:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) commodity price fluctuations;
- (v) changes in investor sentiment toward particular market sectors;
- (vi) the demand for, and supply of, capital; and
- (vii) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general, and oil and gas securities in particular. Neither the Company, nor the directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Risk of litigation, claims and disputes**

The Company is exposed to the risk of actual or threatened litigation or legal disputes in the form of claims by joint venture partners, personal injury and property damage claims, environmental and indemnity claims, employee claims and other litigation and disputes. There is a risk that such litigation, claims and disputes could materially and adversely affect the Company's operating and financial performance due to the cost of defending and/or settling such claims, and could affect the Company's reputation.

(d) **Management of risk**

There is a risk that management of the Company will not be able to implement the Company's growth strategy after completion of the Offer. The capacity of management to properly implement and manage the strategic direction of the Company may affect the Company's financial performance.

(e) **Investment risk**

An investment in the Shares to be issued pursuant to this Prospectus should be considered speculative. They carry no guarantee as to payment of dividends, return of capital or the market value of the Shares. The prices at which an investor may be able to trade the Shares may be above or below the price paid for the Shares. Prospective investors must make their own assessment of the likely risks and determine whether an investment in the Company is appropriate to their own circumstances.

2.3 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus. Therefore, the Shares to be issued pursuant

to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares. Potential investors should consider that the investment in the Company is speculative and should consult their professional adviser before deciding whether to apply for Shares pursuant to this Prospectus.

3. Effect of the Offer

3.1 Capital Structure on completion of the Offer

	Shares	Options ¹	Performance Rights ²
Balance at the date of this Prospectus	508,763,062	76,226,135	30,000,000
Shares to be issued under the Offer	100	-	-
Balance after the Offer (if fully subscribed)	508,763,162	76,226,135	30,000,000

Notes:

- Options comprise:
 - 50,000,000 unquoted options exercisable at \$0.08 on or before 30 June 2021
 - 9,387,500 unquoted options exercisable at \$0.03 on or before 30 December 2021; and
 - 16,838,635 options exercisable at \$0.03 on or before 31 December 2021.
- Performance rights subject to performance milestones expiring 22 May 2023.

3.2 Financial Effect of the Offer

After expenses, there will be no proceeds from the Offer. The expenses of the Offer (refer to Section 4.9) will be met from the Company's existing cash reserves. As such, the Offer will have an effect on the Company's financial position, being receipt of funds of \$3.70, less costs of preparing the Prospectus of approximately \$4,000.

3.3 Market price of Shares

The highest and lowest market sale prices of the Company's Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

Highest: \$0.053 per Share on 18 May 2020

Lowest: \$0.004 per Share on 5 March 2020

The last available market sale price of Shares on ASX prior to the date of this Prospectus was \$0.44 per Share on 28 May 2020.

3.4 Dividend policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

4. Additional information

4.1 Rights attaching to Shares

A summary of the rights attaching to Shares in the Company is set out below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution will be provided by the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in specific circumstances, the Shareholder should seek legal advice.

(a) General meeting and notices

Each eligible Shareholder is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act or the Listing Rules.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each eligible Shareholder entitled to vote, may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands every person present who is an eligible Shareholder or a proxy, attorney or representative of an eligible Shareholder has one vote; and
- (iii) on a poll, every person present who is an eligible Shareholder or a proxy, attorney or representative of an eligible Shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote per Share, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Issues of further Shares

The Directors may, on behalf of the Company, issue shares and grant options over or unissued shares to any person on the terms, with the rights, and at the times that the Directors decide. However, the Directors must act in accordance with the restrictions imposed by the Constitution, Listing Rules, the Corporations Act and any rights and restrictions attached to a class of shares.

(d) Variation of Rights

Unless otherwise provided by the Constitution or by the terms of issue of a class of shares, the rights attached to the shares in any class may be varied or cancelled only with the written consent of the holders of at least three-quarters of the issued shares of the affected class, or by special resolution passed at a separate meeting of the holders of the issued shares of the affected class.

(e) **Transfer of Shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the Listing Rules.

The Directors may decline to register a transfer of shares (other than a proper transfer in accordance with the ASX Settlement Operating Rules) where permitted to do so under the Listing Rules. If the Directors decline to register a transfer, the Company must, within 5 business days after the transfer is delivered to the Company, give the party lodging the transfer written notice of the refusal and the reason for the refusal.

(f) **Partly paid Shares**

The Directors may, subject to compliance with the Constitution, the Corporations Act and Listing Rules, issue partly paid shares upon which there are outstanding amounts payable. These shares will have limited rights to vote and to receive dividends.

(g) **Dividend rights**

Subject to and in accordance with the Corporations Act, the Listing Rules, the rights of any preference shares and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare dividend to be paid to the shareholders entitled to the dividend. Subject to the rights of any preference shares and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the dividend as declared shall be payable on all shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such shares.

(h) **Winding up**

Subject to any rights or restrictions attached to a class of Shares, on a winding up of the Company, any surplus must be divided among the Shareholders in the proportions which the amount paid (including amounts credited) on the shares of a Shareholders is of the total amounts paid and payable (including amounts credited) on the shares of all Shareholders.

(i) **Dividend reinvestment and Share plans**

Subject to the requirements in the Corporations Act and the Listing Rules, the Directors may implement and maintain dividend reinvestment plans (under which any member may elect that dividends payable by the Company be reinvested by way of subscription for fully paid shares in the Company) and any other share plans (under which any member may elect to forego any dividends that may be payable on all or some of the shares held by that member and to receive instead some other entitlement, including the issue of fully paid shares).

(j) **Directors**

The Constitution states that the minimum number of Directors is three and the maximum number is ten.

(k) **Powers of the Board**

Except as otherwise required by the Corporations Act, any other law, the Listing Rules or the Constitution, the Directors have the power to manage the business of the Company and may exercise every right, power or capacity of the Company.

(l) **Share buy backs**

Subject to the provisions of the Corporations Act and the Listing Rules, the Company may buy back shares in itself on the terms and at times determined by the Directors.

(m) **Unmarketable parcels**

The Company's constitution permits the Board to sell the shares held by a Shareholder if they comprise less than a marketable parcel within the meaning of ASX Business Rules. The procedure may only be invoked once in any 12 month period and requires the Company to give the shareholder notice of the intended sale.

If a Shareholder does not want his shares sold, he may notify the Company accordingly.

(n) **Capitalisation of profits**

The Directors may capitalise any profits of the Company and distribute that capital to the Shareholders, in the same proportions as the Shareholders are entitled to a distribution by dividend.

(o) **Capital reduction**

Subject to the Corporations Act and Listing Rules, the Company may reduce its share capital.

(p) **Preference Shares**

The Company may issue preference shares, including preference shares that are liable to be redeemed. The rights attaching to preference shares are those set out in the Constitution unless other rights have been approved by special resolution of the Company's Shareholders.

4.2 **Company is a disclosing entity**

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purpose of ASX making the information available to the securities market conducted by ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain limited exceptions), to notify ASX once it is, or becomes aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Shares.

The Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a Directors' statement and report, and an audit review or report.

Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 4.3 below).

4.3 **Copies of documents**

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the issue, a copy of:

- (a) the Annual Report of the Company for the financial year ended 31 December 2019 lodged by the Company with ASX on 23 April 2020, being the last financial year for which an annual financial report has been lodged with ASIC in relation to the Company before the issue of this Prospectus;

- (b) the Half Year Financial Report for the half-year ended 30 June 2019 lodged by the Company with ASX on 16 September 2019; and
- (c) the following continuous disclosure notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the Annual Report referred to in paragraph (a) and before the date of issue of this Prospectus are as follows:

Date	Headline
26 May 2020	Response to ASX Aware Query
22 May 2020	Appendix 2A
22 May 2020	Appendix 3G
21 May 2020	Uranium & Vanadium Drill Program Fast Tracked
19 May 2020	Appendix 2A
19 May 2020	Appendix 2A
18 May 2020	Addendum to Notice of Meeting
18 May 2020	Response to ASX Price Query
15 May 2020	Ceasing to be a substantial holder
13 May 2020	Initial Director's Interest Notice
11 May 2020	Initial Director's Interest Notice
11 May 2020	Final Director's Interest Notice
11 May 2020	Director Appointment/Resignation
7 May 2020	Downhole Uranium Testing in Utah Completed
4 May 2020	Change in Substantial Holding
1 May 2020	Notice of Annual General Meeting/Proxy Form
29 April 2020	Uranium Testing Commences on High Grade Potential in Utah
23 April 2020	Appendix 4G – corporate governance disclosures
23 April 2020	Annual Report to shareholders

The following documents are available for inspection throughout the application period of this Prospectus during normal business hours at the registered office of the Company at Level 1, 89 St Georges Terrace, Perth WA 6000.

- (a) this Prospectus;
- (b) Constitution; and
- (c) the consents provided by the Directors to the issue of this Prospectus.

4.4 Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules, and which is required to be set out in this Prospectus.

4.5 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Shares under this Prospectus.

4.6 Directors' interests

(a) Interests

Except as disclosed in this Prospectus, no Director, and no firm in which a Director has an interest:

- (i) has any interest, nor has had any interest in the last two years prior to the date of this Prospectus, in the formation or promotion of the Company, the Offer or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (ii) has been paid or given, or will be paid or given, any amount or benefit to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Offer.

(b) Directors' Holdings

Set out in the table below are details of Directors' relevant interests in the securities of the Company at the date of this Prospectus:

Director	Shares Held	Options Held ⁽¹⁾	Performance Rights
Nathan Lude	-	-	-
Bruce Lane	652,174	-	-
Petar Tomasevic	2,200,000	137,500	-

Notes:

1. Unquoted Options exercisable at \$0.03 expiring on 30 December 2021.

(c) Remuneration of Directors

In accordance with the Constitution, on 26 May 2008 Shareholders have approved an aggregate amount of up to \$200,000 per annum to be paid as non-executive Directors' fees. Payments of Director's fees will be in addition to any payments to Directors in any employment or consultancy capacity.

Nathan Lude currently receives annual remuneration of \$39,420 (inclusive of superannuation) as Non-Executive Chairman.

Bruce Lane currently receives annual remuneration of \$60,000 (inclusive of superannuation) as an Executive Director.

Petar Tomasevic currently receives annual remuneration of \$39,420 (inclusive of superannuation) as a Non-Executive Director.

The table below sets out the remuneration provided to the Directors or their related entities for the preceding two financial years prior to this Prospectus.

Director	Year	Salary & Fees \$	Superannuation \$	Total \$
Nathan Lude	2019	29,000	2,755	31,755

	2018	12,000	1,140	13,140
Bruce Lane (appointed 3 September 2019)	2019	36,530	3,470	40,000
	2018	N/A	N/A	N/A
Petar Tomasevic (appointed 10 May 2020)	2019	N/A	N/A	N/A
	2018	N/A	N/A	N/A

4.7 Substantial Holders

Set out below are the current substantial holders in the Company:

- (a) Tolga Kumova – 8.28%

4.8 Interests of Named Persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Offer or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Offer.

4.9 Expenses of the Offer

The estimated expenses of the Offer are approximately \$4,000 (excluding GST) comprising ASIC lodgement fee and administrative expenses. These expenses will be deducted from the Company's working capital.

5. Authorisation

This Prospectus is authorised by each of the Directors of the Company.

This Prospectus is signed for and on behalf of the Company by:



Bruce Lane
Company Secretary

Dated: 28 May 2020

6. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

\$ means Australian dollars.

Annual Report means the financial report lodged by the Company with ASIC in respect to the financial year ended 31 December 2019 and includes the corporate directory, chairman's report, review of activities, Shareholder information, financial report of the Company and its controlled entities, together with a Directors' report in relation to that financial year and the auditor's report.

Applicant means a person who submits an Application Form.

Application means a valid application for Shares made pursuant to this Prospectus on an Application Form.

Application Form or **Form** means the application form sent with this Prospectus.

Application Monies means application monies for Shares received by the Company.

ASIC means Australian Securities and Investments Commission.

ASTC means ASX Settlement and Transfer Corporation Pty Ltd ACN 008 504 532.

ASX means ASX Limited ACN 008 129 164 and where the context permits the Australian Securities Exchange operated by ASX Limited.

AWST means Australian Western Standard Time, being the time in Perth, Western Australia.

Board means the Directors meeting as a board.

Business Day means Monday to Friday inclusive, other than a day that ASX declares is not a business day.

CHESS means ASX Clearing House Electronic Subregister System.

Closing Date means 29 May 2020 or such later date as the Directors may determine.

Company means GTI Resources Limited ACN 124 792 132.

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means Corporations Act (Cth) 2001.

Directors mean the directors of the Company as at the date of this Prospectus and the Proposed Director.

Issuer Sponsored means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

Listing Rules means the Listing Rules of ASX.

New Shares has the meaning in Section 1.2.

Offer has the meaning in Section 1.1.

Official List means the official list of ASX.

Official Quotation means quotation of Shares on the Official List.

Option means an option to acquire one Share.

Prospectus means this prospectus dated 28 May 2020.

Section means a section of this Prospectus.

Securities means Shares and Options.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares.