



ABN 33 124 792 132

**Financial Statements for the Half-Year ended
30 June 2019**

Corporate directory

Board of Directors

Mr Bruce Lane	Executive Director
Mr Murray McDonald	Non-Executive Chairman
Mr Nathan Lude	Non-Executive Director

Company Secretary

Mr John Kay

Registered Office & Principal Office

7/ 24 Walters Drive
OSBORNE PARK WA 6005

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Auditor

Stantons International Audit & Consulting Pty Ltd
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WEST PERTH WA 6005

Telephone: +61 8 9481 3188
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Share Registry

Advanced Share Registry Services Pty Ltd
110 Stirling Highway
Nedlands WA 6009

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Stock Exchange Listing

ASX Ltd
Level 40, Central Park
152 – 158 St Georges Terrace
PERTH WA 6000

ASX Code: GTR

Website

www.gtiresources.com.au

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Directors' report

The Directors of GTI Resources Ltd (**Company**) submit herewith the condensed financial statements for the half-year ended 30 June 2019. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Name of directors

The names of the Directors of the Company who have held office during and since the end of the half year and up until the date of this report are:

Mr Murray McDonald	Executive Chairman (Non-Executive Chairman from 3 September 2019)
Ms Emma Gilbert	Executive Director (resigned on 3 September 2019)
Mr Nathan Lude	Non-Executive Director
Mr Bruce Lane	Executive Director (appointed on 3 September 2019)

Review of Operations

During the six months to 30 June 2019, the Board continued to concentrate on Western Australian mining assets.

The Board continued discussion with interested parties relating to the acquisition of potential mining assets together with recapitalisation of the Company.

Shareholders will be informed if negotiations on any potential project advance past the preliminary phase.

On 1st July 2019, the company announced to acquire 100% of Voyager Energy Pty Ltd and announced to raise approximately \$2 million via two share placements and a non-renounceable rights entitlement issue.

On 16th July 2019, the company completed the first tranche of the share placement (Tranche 1 Placement). 24,422,721 ordinary fully paid shares at a subscription price of \$0.01 has been issued for gross proceeds of \$244,227 in Tranche 1 Placement. On 3rd September 2019, the company issued 15,577,279 remaining shares of Tranche 1 Placement to raise \$155,773.

On 3rd September 2019, the company has successfully completed the acquisition of 100% of the issued capital of Voyager Energy Pty Ltd and it has exclusive rights to acquire eight uranium/vanadium exploration projects located in the Henry Mountains mining district of south eastern Utah, USA. The board of the Company is to be reconstituted with effect from completion of the acquisition. Accordingly, Ms Emma Gilbert resigned from Executive Director and Mr Frank Campagna resigned from Company Secretary on 3rd September 2019. The board now consists of three (3) directors – Mr Bruce Lane, Mr Murray McDonald and Mr Nathan Lude, and Mr John Kay is appointed as the Company Secretary.

Auditor's independence declaration

The auditor's independence declaration is included on page 3 and forms part of the Directors' report for the half year ended 30 June 2019.

Signed in accordance with a resolution of Directors made pursuant to s.306(3) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in black ink, appearing to read "Murray McDonald", followed by a period.

Murray McDonald
Executive Chairman
Perth, 13 September 2019

13 September 2019

Board of Directors
GTI Resources Limited
7/24 Walters Drive
Osborne Park WA 6017

Dear Directors

RE: GTI RESOURCES LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of GTI Resources Limited.

As Audit Director for the review of the financial statements of GTI Resources Limited for the half year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD



Martin Michalik
Director

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
GTI RESOURCES LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of GTI Resources Limited, which comprises the condensed statement of financial position as at 30 June 2019, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity, and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of GTI Resources Limited are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standards on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 30 June 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of GTI Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of GTI Resources Limited on 13 September 2019.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of GTI Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standards AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Emphasis Of Matter – Material Uncertainty Related to Going Concern

We draw attention to note 1 of the financial report, which describes that the financial report has been prepared on a going concern basis. At 30 June 2019 the Company had net assets of \$90,492, cash and cash equivalents of \$249,213, and net working capital of \$89,339. The Company had incurred a loss for the period ended 30 June 2019 of \$210,200 and had net cash outflows from operating activities of \$191,717.

The ability of the Company to continue as a going concern and meet its planned exploration, administration, and other commitments is dependent upon the future successful raising of necessary funding through equity or borrowings, successful exploitation of the Company's exploration assets, and or sale of non-core assets. In the event that the Company cannot raise further equity or commence profitable operations, the Company may not be able to meet its liabilities as they fall due or realise its assets in the normal course of business. Our conclusion is not modified in respect of this matter.

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)**

Stantons International Audit & Consulting Pty Ltd



Martin Michalik
Director

West Perth, Western Australia
13 September 2019

Directors' declaration

The Directors declare that:

- (a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with Accounting Standard AASB 134: Interim Financial Reporting and giving a true and fair view of the financial position and performance of the Company for the period ended 30 June 2019.

Signed in accordance with a resolution of the Directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors



Murray McDonald
Executive Chairman
Perth, 13 September 2019

Condensed statement of profit or loss and other comprehensive income for the half-year ended 30 June 2019

		30 June 2019	30 June 2018
Note		\$	\$
Revenue		-	-
Other income	2	10,000	686,648
Employee benefits expense		(88,246)	(103,365)
Exploration expenditure expensed as incurred		(52,913)	(73,015)
Project generation expenditure		(3,088)	-
Administration and finance expenses	3	(32,171)	(20,916)
Corporate expenses		(43,772)	(45,278)
Net change in fair value of investments through Profit & Loss		(10)	(170)
(Loss)/Income before income tax expense		(210,200)	443,904
Income tax expense		-	-
(Loss)/Income for the period		(210,200)	443,904
Other comprehensive (loss)/income for the period			
Items that will not be classified to profit or loss		-	-
Items that may be subsequently reclassified to profit or loss		-	-
Total other comprehensive (loss)/income for the period		-	-
Total comprehensive (loss)/income for the period		(210,200)	443,904
(Loss)/Income attributable to members of GTI Resources Ltd		(210,200)	443,904
Total comprehensive (loss)/income attributable		(210,200)	443,904
Earning / (Loss) per share:			
Basic and diluted (cents per share)		(0.13)	0.42

The accompanying notes form part of these financial statements.

Condensed statement of financial position as at 30 June 2019

		30 June 2019	31 Dec 2018
	<u>Note</u>	<u>\$</u>	<u>\$</u>
Current assets			
Cash and cash equivalents		249,213	440,930
Trade and other receivables		<u>8,937</u>	<u>6,587</u>
Total current assets		<u>258,150</u>	<u>447,517</u>
Non-current assets			
Property, plant and equipment		882	996
Other financial assets		<u>271</u>	<u>281</u>
Total non-current assets		<u>1,153</u>	<u>1,277</u>
Total assets		<u>259,303</u>	<u>448,794</u>
Current liabilities			
Trade and other payables	8	46,930	28,717
Director unsecured loan	7	-	3,638
Directors' entitlements		66,546	64,205
Provisions		<u>55,335</u>	<u>51,542</u>
Total current liabilities		<u>168,811</u>	<u>148,102</u>
Total liabilities		<u>168,811</u>	<u>148,102</u>
Net assets		90,492	300,692
Equity			
Issued capital	4	7,367,871	7,367,871
Reserves		763,196	763,196
Accumulated losses		<u>(8,040,575)</u>	<u>(7,830,375)</u>
Total Equity		<u>90,492</u>	<u>300,692</u>

The accompanying notes form part of these financial statements.

Condensed statement of changes in equity for the half year ended 30 June 2019

	Attributable to Owners				
	Ordinary shares	Equity-settled employee benefits reserve	Investment revaluation reserve	Accumulated losses	Total Equity
	\$	\$	\$	\$	\$
Balance at 1 January 2018	6,241,092	763,196	-	(7,988,486)	(984,198)
Profit/(loss) for the period	-	-	-	443,904	443,904
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	443,904	443,904
Ordinary shares issued	1,126,709	-	-	-	1,126,709
Capital raising costs	70	-	-	-	70
Balance at 30 June 2018	7,367,871	763,196	-	(7,544,582)	586,485
Balance at 1 January 2019	7,367,871	763,196	-	(7,830,375)	300,692
Profit/(loss) for the period	-	-	-	(210,200)	(210,200)
Other comprehensive income/(loss)	-	-	-	-	-
Total comprehensive income/(loss)	-	-	-	(210,200)	(210,200)
Ordinary shares issued	-	-	-	-	-
Capital raising costs	-	-	-	-	-
Balance at 30 June 2019	7,367,871	763,196	-	(8,040,575)	90,492

The accompanying notes form part of these financial statements.

Condensed statement of cash flows for the half-year ended 30 June 2019

	30 June 2019	30 June 2018
	\$	\$
Cash flows from operating activities		
Payments to suppliers, employees and for exploration activities	(191,717)	(154,660)
Net cash flow out from operating activities	(191,717)	(154,660)
Cash flows from investing activities		
Net cash flow from investing activities	-	-
Cash flows from financing activities		
Repayment of Director unsecured loan	-	(100,000)
Proceeds from issue of shares	-	956,779
Net cash from financing activities	-	856,779
Net (decrease) increase in cash and cash equivalents	(191,717)	702,119
Cash and cash equivalents at the beginning of the half-year	440,930	5,788
Cash and cash equivalents at the end of the half-year	249,213	707,907

The accompanying notes form part of these financial statements.

Notes to the condensed financial statements for the half-year ended 30 June 2019

1. Accounting policies

Statement of compliance

The condensed financial statements for the interim half-year reporting period ended 30 June 2019 are a general purpose financial statement prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes comply with International Financial Reporting Standards ('IFRS').

The half-year financial statements do not include full disclosures of the type normally included in an annual financial statement. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as in the full financial statements.

It is recommended that these financial statements be read in conjunction with the annual financial statements for the year ended 31 December 2018 and any public announcements made by GTI Resources Ltd during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

Basis of preparation

The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial statement are consistent with those adopted and disclosed in the Company's most recent annual financial statements for the year ended 31 December 2018 except as noted below.

The directors have prepared the financial statements on the basis of going concern, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The directors believe this to be appropriate for the following reasons:

- The Company has cash reserves of \$249,213 at 30 June 2019;
- The Company continues to monitor opportunities to raise further equity from interested investors;
and
- The Company's Board of Directors has a long history of fund raising in the public and will do so when required.

Subsequent to the end of the period, the Company is undertaking two placements and a non-renounceable rights entitlement issue to raise approximately \$2,000,000 with CPS Capital Group Pty Ltd. On 16th July 2019, the first tranche of share placement (Tranche 1 Placement) has been completed with the gross proceeds of \$244,227 and on 3rd September 2019, the company raised \$155,773 with the remaining shares of Tranche 1 Placement.

Based on the above, the directors are confident that the Company will be able to continue operations as a going concern into the foreseeable future.

New and Revised Accounting Requirements Applicable to the Current Half Year Reporting Period

For the half-year reporting period to 30 June 2019 the same accounting policies and methods of computation have been followed in the interim financial report as were applied in the most recent annual financial statements. The Company has adopted the following new and revised Australian Accounting Standards from 1 January 2019 together with consequential amendments to other Standards. The application of these new and revised requirements did not have a material impact on the measurement basis or disclosures in the half-year report.

- AASB 16 Leases

Significant accounting judgements and key estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this half-year's financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation were the same as those that applied to the financial statements for the year ended 31 December 2018.

2. Other income

	30 Jun 2019	30 Jun 2018
	\$	\$
Director – Wages forgiveness and employee entitlements	-	686,648
Other Income	10,000	-
Total	10,000	686,648

3. Expenses

	30 Jun 2019	30 Jun 2018
	\$	\$
The following expense items are included in the financial performance for the half-year:		
Depreciation	114	157

4. Issued Capital

	30 Jun 2019	31 Dec 2018
	\$	\$
162,818,139 fully paid ordinary shares (2018: 162,818,139)	7,367,871	7,367,871

Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the company does not have a limited amount of authorised capital and issued shares do not have a par value.

	30 Jun 2019		31 Dec 2018	
	No.	\$	No.	\$
Fully paid ordinary shares				
Opening balance at the beginning of the financial period	162,818,139	7,367,871	93,166,669	6,241,092
Share placement	-	-	59,651,470	956,709
Ordinary shares issued	-	-	10,000,000	170,000
Share issue costs	-	-	-	70
Closing balance at the end of the financial period	162,818,139	7,367,871	162,818,139	7,367,871

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Share options

As at 30 June 2019, the company has 85,137,500 share options on issue exercisable at 30 December 2021 (2018: 85,137,500). No options were exercised or lapsed during the period.

5. Segment information

The Company operates predominately in one geographical segment, being Western Australia, and in one industry, mineral exploration.

6. Contingent liabilities

The Company has no contingent liabilities at the date of this report.

7. Related parties

Arrangements with related parties continue to be in place except for the below directors' remuneration:

Directors	Gross Annual Wages	Superannuation entitlement
Mr Murray McDonald	\$120,000	\$12,000
Ms Emma Gilbert	\$18,000	\$1,710
Mr Nathan Lude	\$24,000	\$2,280

Key management personnel continue to receive compensation in the form of short term employee benefits, post-employment benefits and share based payments.

As at 30 June 2019, an interest-free loan of \$3,638 provided by Mr. Murray McDonald had been fully offset with the cash advance of \$5,000, leaving with a balance of \$1,362 having been expensed on business travels over the period.

8. Trade and Other Payables

	30 June 2019	31 Dec 2018
	\$	\$
Trade payables	34,640	14,717
Other payables	12,290	14,000
	46,930	28,717

9. Subsidiaries

The Company has a 100% interest in GTI Minerals Pty Ltd, a company incorporated in Australia with share capital of \$1.00. The Company also has a 75% interest in PT GTRI Mining, a company incorporated in Indonesia. Both GTI Minerals Pty Ltd and PT GTRI Mining have been dormant since incorporation. As the subsidiaries have no assets or liabilities, consolidated financial statements have not been prepared.

10. Events subsequent to reporting date

On 1st July 2019, the company announced to acquire 100% of Voyager Energy Pty Ltd and announced to raise approximately \$2 million via two share placements and a non-renounceable rights entitlement issue.

On 16th July 2019, the company completed the first tranche of the share placement (Tranche 1 Placement). 24,422,721 ordinary fully paid shares at a subscription price of \$0.01 has been issued for gross proceeds of \$244,227 in Tranche 1 Placement. On 3rd September 2019, the company issued 15,577,279 remaining shares of Tranche 1 Placement to raise \$155,773.

On 3rd September 2019, the company has successfully completed the acquisition of 100% of the issued capital of Voyager Energy Pty Ltd and it has exclusive rights to acquire eight uranium/vanadium exploration projects located in the Henry Mountains mining district of south eastern Utah, USA. The board of the Company is to be reconstituted with effect from completion of the acquisition. Accordingly, Ms Emma Gilbert resigned from Executive Director and Mr Frank Campagna resigned from Company Secretary on 3rd September 2019. The board now consists of three (3) directors – Mr Bruce Lane, Mr Murray McDonald and Mr Nathan Lude, and Mr John Kay is appointed as the Company Secretary.