



GTI Resources Ltd  
(ACN 124 792 132)

## **SHARE PURCHASE PLAN**

TO RAISE UP TO \$978,000

**CLOSING DATE : 5.00pm AWST on Tuesday 28 July 2020**

This document is important and requires your immediate attention. Carefully read this document in full and consult your stockbroker, accountant, licensed financial advisor or other professional adviser if you are in any doubt as to what to do.

This document is not a Prospectus. It does not contain all the information that an investor would find in a prospectus or which may be required in order to make an informed decision regarding, or about the rights attaching to, the Shares offered in this document.

This document does not take into account the individual investment objectives, financial situation or particular needs of each Eligible Shareholder.

This document provides details of the GTI Resources Ltd Share Purchase Plan and explains how Eligible Shareholders can participate.

Each Eligible Shareholder has the opportunity to participate in the GTI Resources Ltd Share Purchase Plan by applying for up to \$30,000 worth of new ordinary shares in GTI Resources Ltd without incurring brokerage or other transaction costs.

**NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES**

13 July 2020

Dear Shareholder,

### Invitation to Participate in GTI Resources Ltd's Share Purchase Plan

On 7 July 2020, GTI Resources Ltd (ASX: GTR) (the **Company** or **GTI**) announced its intention to:

- (a) Conduct a share placement of up to \$1,811,289 (before costs) via the issue of up to 60,376,300 fully paid ordinary shares in the Company (**Placement Shares**) to at an issue price of \$0.03 per Placement Share (**Placement**); and
- (b) offer eligible shareholders the chance to participate in a Share Purchase Plan (**SPP**) to raise up to \$978,000 via the issue of up to 32,600,000 fully paid ordinary shares in the capital of the Company (**Shares**) at an issue price of \$0.03 per SPP Share (in the event of an oversubscription by the Closing Date, the Directors may, in their absolute discretion, either accept additional applications and/or scale-back applications on any basis they deem fit and/or determine to raise an amount higher than \$978,000).

The Company's Board of Directors is now pleased to make that offer to eligible shareholders on the Terms and Conditions enclosed with this Offer Document.

The SPP entitles Eligible Shareholders in the Company, irrespective of the size of their shareholding, to purchase up to \$30,000 worth of Shares at \$0.03 per Share (**Issue Price**) (being the same issue price as the Placement Shares), free of brokerage and commission (**Offer**).

The Offer is fully underwritten by CPS Capital Group Pty Ltd (AFSL 294848) (**CPS Capital**) up to \$978,000 (32,600,000 Shares).

Details of the Offer are set out in this Offer Document and the enclosed Terms and Conditions. An acceptance form for the Offer (**Acceptance Form**) is included in this package.

### Shareholders eligible to participate in the SPP

The right to participate in the SPP is optional and is only available to shareholders who are registered as holders of Shares at 7.00pm (AWST) on the Record Date of Monday 6 July 2020 and whose registered address is in Australia or New Zealand (**Eligible Shareholders**).

### Indicative Timetable

EVENT	DATE*
Record Date	7.00pm (AWST) Monday 6 July 2020
Announcement of SPP and Placement	Tuesday 7 July 2020
Opening Date of SPP and Dispatch of SPP Documentation	Monday 13 July 2020
Closing Date	5.00pm (AWST) Tuesday 28 July 2020
Announcement of results of SPP	Friday 31 July 2020
Issue of Shares under the SPP	Thursday 6 August 2020

*\*The above dates are indicative only and are subject to change at the Company's discretion without notice. Accordingly, shareholders are encouraged to submit their Acceptance Forms as early as possible.*

### Purpose of the SPP

It is intended that the funds raised under the SPP and the Placement will be directed towards costs of the Company's proposed acquisition of ML5399 and ML52627 in the Henry Mountains region of Utah USA (as announced on 7 July 2020), to increase the pace of the Company's

general exploration in USA and Australia, for general working capital and for costs of the SPP and the Placement.

Details of the Company's current activities are set out in the announcements made by the Company to the ASX and are available from the ASX, or the Company's website at <http://www.gtiresources.com.au/>.

### **How much can you invest?**

Under the SPP, Eligible Shareholders may purchase Shares in specific parcels up to a maximum of \$30,000 worth of Shares. Eligible Shareholders may participate by selecting one of the alternative offers set out in the table below.

The maximum investment any Eligible Shareholder may apply for must be \$30,000 even if they receive more than one offer (whether in respect of a joint holding or because they have more than one holding under a separate account). Please note, that as set out in section 5 of the SPP, the Company reserves the right to:

- (a) issue fewer Shares than an Eligible Shareholder applies for under the Offer or none at all and its right to scale back applications in such manner as the Directors see fit at their sole discretion; and
- (b) raise a higher total amount, being an amount over and above \$978,000, at the Company's sole discretion depending on the total subscription under the SPP.

Any determination by the Directors in respect of any scaling back or refusal of any application for Shares will be final. If a scale back occurs or the Company refuses an application for Shares, the Company will refund any excess application monies to the relevant Eligible Shareholders in full (without interest).

### **Subscription and Application Procedure**

If you are an Eligible Shareholder, you can apply for up to a maximum of \$30,000 worth of Shares. Eligible Shareholders can select one of the following alternatives:

<b>Offer</b>	<b>Application Amount</b>	<b>Number of Shares</b>
Offer A	\$30,000	1,000,000
Offer B	\$25,000	833,333
Offer C	\$20,000	666,666
Offer D	\$15,000	500,000
Offer E	\$10,000	333,333
Offer F	\$5,000	166,666
Offer G	\$2,000	66,666

No fractions of Shares will be issued. Fractional Shares will be rounded down to the nearest whole number.

All application monies must be paid in Australian dollars. Any application monies received for more than an Applicant's final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded.

No brokerage, stamp duty or other costs are payable by applicants in respect of an application for Shares under this Offer.

If you would like to participate in the Offer, please return your completed Acceptance Form (enclosed), with payment or make a BPAY® payment, in accordance with the instructions on

the Acceptance Form, so that it is received by the Company's share registry **no later than 5:00pm (AWST) on the Closing Date.**

<b>Payment by Cheque or Money Order</b>
All cheques or money orders must be drawn on an Australian bank in accordance with the instructions on the Acceptance Form. Your cheque or money order must be made payable to " <b>GTI Resources Ltd – SPP Offer Account</b> " and crossed " <b>Not Negotiable</b> " for the application amount for the Shares you wish to acquire. Your completed Acceptance Form and cheque or money order must reach the Company's share registry no later than 5:00pm AWST on the Closing Date.
<b>Payment by BPAY</b>
For payment by BPAY®, please follow the instructions on the Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:  (a) you do not need to submit the Acceptance Form but are taken to have made the declarations on that Acceptance Form; and  (b) if you do not pay for your full entitlement under the Offer, you are deemed to have taken up your entitlement in respect of such whole number of Shares which is covered in full by your application monies.  <b>It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 5:00pm (AWST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any application monies received for more than your final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.</b>

Applications (together with payment) must be received on or before the **Closing Date of 5.00pm (AWST) on Tuesday 28 July 2020** (unless extended). Once an application has been made, it cannot be revoked. All valid applications shall be deemed accepted if received before the Closing Date.

Please refer to the SPP Terms & Conditions for details of the certification you will be deemed to provide when you participate in the Offer by returning an Acceptance Form or by paying by BPAY.

### **Purchase Price and acceptance of risk factors**

The purchase price of Shares under the Offer will be \$0.03 (3 cents) (**Offer Price**). On the trading day immediately prior to the announcement date of the Offer (**Announcement Date**), the closing price of the Company traded on the ASX was \$0.034.

Pursuant to *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547*, the Company notes that:

- The Offer Price represents:
  - a discount of 11.7% to the closing price (\$0.034) of GTI shares on 30 June 2020, which was the last trading day prior to the date of the announcement of the SPP;
  - a discount of 56.6% to the 52-week high GTI share price of \$0.053 (5.3 cents) on 18 May 2020; and
  - a 2.5% premium to the volume weighted average price of GTI shares over the five trading days prior to the date of the announcement of the SPP on 7 July 2020.
- The market price of the Shares in the Company may rise and fall between the date of the Offer and the date that any Shares are issued to you as a result of your acceptance of this Offer.
- By applying for Shares under the SPP, each Eligible Shareholder acknowledges that, although the Issue Price is at a discount to the closing price on the Announcement Date, Shares are a speculative investment and the price of Shares on the ASX may change between the date of the Company announcing its intention to make an Offer

and the date of issue of Shares under that Offer, and that the value of the Shares received under the SPP may rise or fall accordingly.

- The Offer Price is less than the market price of Shares during the specified period in the 30 days before the date of the Offer (such specified period being the 2 days in which shares were traded immediately prior to announcement of the Offer).

In accordance with ASX Listing Rule 7.2 Exception 5, the Issue Price is equal to or greater than 80% of the volume weighted average price for the 5 days in which trading in Shares occurred before the Announcement Date.

The Board recommends that you obtain your own financial advice in relation to the Offer and consider price movements of Shares in the Company prior to accepting this Offer.

### Shareholder Approval

The Offer is limited to 30% of the Company's ordinary shares on issue as at the date of this document and the Company will issue the Shares pursuant to ASX Listing Rule 7.2 Exception 15. Accordingly, Shareholder approval is not required for the issue of the Shares under the Offer.

### Underwriter

If less than the total amount of Shares under the Offer (being less than \$978,000 and 32,600,000 Shares) are applied for pursuant to the Offer, subject to obtaining any necessary shareholder or regulatory approvals (if any), any shortfall Shares will be underwritten pursuant to the Underwriting Agreement described below.

The Company has engaged the services of CPS Capital Group Pty Ltd (AFSL 294848) (**CPS Capital**) and entered into an underwriting agreement (**Underwriting Agreement**) in respect of the SPP whereby CPS Capital will fully underwrite the SPP up to \$978,000 (32.6 million Shares). CPS Capital has also been engaged pursuant to a corporate mandate (**Mandate**) in respect of the Company's recently announced placement of shares (the Company is seeking to raise up to \$1,811,289 via the issue of up to 60,376,300 Shares at an issue price of \$0.03) (**Placement**).

Pursuant to the terms and conditions of the Underwriting Agreement and Mandate, CPS Capital will be paid the following fees in consideration for its Placement and Underwriting services:

- CPS will receive a 6% capital raising fee for both the funds raised in the Placement and the underwritten amount of the SPP (**Capital Raising Fee**). The Capital Raising Fee will be paid (at CPS' election) in cash or new Shares at an issue price of \$0.03, subject to all necessary prior shareholder and regulatory approvals;
- CPS' current mandate with the Company will be extended, on the existing terms, for a period of twelve (12) months from 1 July 2020 (**Term**). During the Term, CPS will continue to receive a monthly corporate advisory fee of \$4,000 (plus GST) for ongoing corporate advisory services to the Company. If the engagement is terminated by either party before expiry of the Term, the full amount of the outstanding balance for the remainder of the Term is due and payable to CPS in full;
- a lead management and underwriting arrangement fee of \$20,000; and
- subject to all necessary shareholder and regulatory approvals, 16 million options exercisable at \$0.03 expiring on 31 December 2021. These options will be issued to otherwise rank on the same terms as the currently unlisted options and will be issued at \$0.00001 per option.

A notice of meeting seeking, among other things, approval for ratification of the Placement, underwritten shares, and the fee shares and options to be issued to CPS will be sent to shareholders in the coming weeks.

### **Additional Information and Important Dates**

The Offer cannot be transferred (it is non-renounceable) and the Board reserves the right to reject any application. Shares under the SPP will be issued as soon as practicable after the Closing Date of the Offer. Application for quotation on ASX of the new Shares will be made immediately following the issue of those Shares.

In the event of an oversubscription by the Closing Date, the Directors may, in their absolute discretion, scale-back all applications on any basis they deem fit and/or determine to raise an amount higher than \$978,000.

As set out in section 5 of the SPP Terms and Conditions below, if the Company rejects or scales-back an application or purported application, the Company will promptly return to the shareholder the relevant application monies, without interest.

The offer of Shares under the SPP is made in accordance with *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547* and therefore does not require a prospectus for the purposes of Chapter 6D of the *Corporations Act 2001* (Cth).

### **New Zealand offer restrictions**

The Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand and to whom the Offer is being made in reliance with New Zealand law.

This document has not been registered, filed with or approved by any New Zealand regulatory authority under New Zealand law. This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

Yours faithfully



Bruce Lane

Executive Director  
**GTI Resources Ltd**

**GTI Resources Ltd  
(ACN 124 792 132)**

**Share Purchase Plan – Terms and Conditions**

**1. Purpose**

The purpose of the Share Purchase Plan (**SPP**) is to offer existing shareholders of GTI Resources Ltd (ACN 124 792 132) (**Company**) the opportunity to acquire additional fully paid ordinary shares in the Company (**Shares**) up to a maximum of \$30,000 (when combined with any Shares issued under any share purchase plan in the 12 months preceding the date of the SPP) at an issue price of \$0.03 (3 cents) per Share (without the need to pay brokerage costs and without the need for the Company to issue a prospectus).

The SPP Terms and Conditions have been determined by the Board of Directors of the Company.

**2. Shareholders eligible to participate**

The right to participate in the SPP is optional and is only available to shareholders who are registered as holders of fully paid ordinary shares in the capital of the Company at 7.00pm (AWST) on the Record Date of Monday 6 July 2020 with a registered address in Australia or New Zealand (**Eligible Shareholders**).

Participation in the SPP is optional and is subject to these Terms and Conditions. Offers made under the SPP are non-renounceable (that is, Eligible Shareholders may not transfer their rights to any Shares or SPP Options offered under the SPP).

The maximum amount, which any Eligible Shareholder may subscribe for in any consecutive 12 month period under the SPP, is \$30,000. The Board may also determine in its discretion, the minimum amount for participation, the multiple of Shares to be offered under the SPP and the period the Offer is available to Eligible Shareholders.

Due to foreign securities laws, it is not practical for shareholders resident in other countries to be offered the opportunity to participate in the SPP.

This document may not be released or distributed in any country other than Australia and New Zealand. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in any other country. In particular, any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 (as amended) and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that making an application under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

**3. Custodians, trustees and nominees**

(a) If you are an Eligible Shareholder and hold Shares as a custodian (as defined in *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547*) (refer below) (**Custodian**) or in any more specific ASIC relief granted to the Company in relation to the SPP), you may apply for up to the maximum number of new Shares for each beneficiary for whom you act as custodian, provided you annexe to your Acceptance Form a certificate to the Company (**Custodian Certificate**) confirming the following:

- (i) that you held Shares on behalf of:
  - (A) one or more other persons that are not custodians; and/or
  - (B) Another custodian (**Downstream Custodian**) that holds beneficial interests in Shares on behalf of one or more other persons to which those beneficial interests relate,

- (each a **Participating Beneficiary**) at 7.00pm (AWST) on the Record Date of Monday 6 July 2020 who have subsequently instructed you, and/or the Downstream Custodian, to apply for Shares under the SPP on their behalf;
- (ii) the number of Participating Beneficiaries and their names and addresses;
  - (iii) the number of Shares that you hold on behalf of each Participating Beneficiary;
  - (iv) the number or dollar amount of Shares that each Participating Beneficiary has instructed you, either directly or indirectly through a Downstream Custodian, to apply for on their behalf;
  - (v) that the application price for Shares applied for under the SPP for each Participating Beneficiary for whom you act in addition to the application price for any other Shares issued to you as custodian (as a result of instruction given to you as a Custodian or a Downstream Custodian) for that Participating Beneficiary under any arrangement similar to the SPP in the prior 12 months does not exceed \$30,000;
  - (vi) that a copy of the written offer document was given to each Participating Beneficiary; and
  - (vii) where you hold Shares on behalf of a Participating Beneficiary indirectly, through one or more Downstream Custodians, the name and address of each Downstream Custodian.
- (b) For the purposes of *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547*, you are a 'custodian' if you are a registered holder that provides custodial or depository services in relation to shares of a body or interests in a registered scheme and who:
- (i) holds an Australian financial services licence covering the provision of a custodial or depository service;
  - (ii) is exempt from the requirement to hold an Australian financial services licence covering the provision of a custodial or depository service;
  - (iii) holds an Australian financial services licence covering the operation an IDPS or is a responsible entity of an IDPS-like scheme, (as defined in ASIC Class Order [CO 13/763] and [CO 13/762] respectively);
  - (iv) is a trustee of a self-managed superannuation fund or a superannuation master trust; or
  - (v) is a registered holder of shares or interests in the class and is noted on the register of members of the body or scheme as holding the shares or interests on account of another person.

If you hold Shares as a trustee or nominee for another person or persons but are not a Custodian as defined above, you cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings (above) apply.

Custodians should request a Custodian Certificate from the Company's share registry when making an application on behalf of Participating Beneficiaries.

The Company reserves the right to reject any application for Shares to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with these requirements. The Company reserves the right to reject applications in accordance with these Terms and Conditions.

#### **4. Price of Shares**

The price of Shares to be issued under the SPP is \$0.03 (3 cents) per Share.

This price represents a 2.5% premium to the volume weighted average market price for the Shares over the last 5 trading days on which sales in the Shares were recorded prior to announcement of the SPP (announced on 7 July 2020).

In accordance with ASX Listing Rule 7.2 Exception 5, the Issue Price is equal to or greater

than 80% of the volume weighted average price for the 5 days in which trading in Shares occurred before the Announcement Date.

## 5. Applications, notices and certification

The Company will send Eligible Shareholders an Offer Document (including the Terms and Conditions of the SPP) and an Acceptance Form, inviting them to subscribe for Shares under the SPP. Applications will not be accepted after the Closing Date of the Offer. Oversubscriptions to the Offer may be refunded without interest.

Notices and statements made by the Company to participants may be given in any manner prescribed by its Constitution.

As an Eligible Shareholder, you may participate by accepting one of the designated parcels of Shares as follows:

Offer	Application Amount	Number of Shares
Offer A	\$30,000	1,000,000
Offer B	\$25,000	833,333
Offer C	\$20,000	666,666
Offer D	\$15,000	500,000
Offer E	\$10,000	333,333
Offer F	\$5,000	166,666
Offer G	\$2,000	66,666

By returning an Acceptance Form or by paying by BPAY, an applicant:

- (a) acknowledges that the application is irrevocable;
- (b) irrevocably and unconditionally agree to these terms and conditions and the terms of the Acceptance Form;
- (c) acknowledges and warrants they are an Eligible Shareholder; and
- (d) certifies that the aggregate of the application price for the following does not exceed \$30,000:
  - (i) the Shares that are the subject of the application; and
  - (ii) any other Shares applied for by the applicant under the SPP (or any similar arrangement in the 12 months prior to the application), whether:
    - (A) in the applicant's own right; or
    - (B) jointly with one or more persons; or
    - (C) in the applicant's capacity as a beneficiary (as defined below),

but not including in the applicant's capacity as a trustee or nominee where it is expressly noted on the Company's register of members that the shareholding is held on account of another person.

If 2 or more persons are recorded in the register of members as jointly holding the Shares to which an applicant's application relates, they are taken to be a single registered holder and these statements are taken to be given by all of them.

If a trustee or nominee is expressly noted on the Company's register of members as holding the shares to which an application relates on account of another person (the "**beneficiary**"), these statements and confirmations are taken to be given by the beneficiary in respect of him/her/itself (and not the trustee or nominee).

The Company is targeting to raise a maximum of \$978,000 under the SPP. The Company reserves its right, in its absolute discretion, to:

- (a) issue fewer Shares than an Eligible Shareholder applies for under the Offer or none at all and its right to scale back applications in such manner as the Directors see fit at their sole discretion; and/or

- (b) raise a higher total amount, being an amount over and above \$978,000, at the Company's sole discretion depending on the total subscription under the SPP subject to regulatory restrictions.

Any determination by the Directors in respect of any scaling back or refusal of any application for Shares will be final subject to regulatory restrictions. If a scale back occurs or the Company refuses an application for Shares, the Company will refund any excess Application Monies to the relevant Eligible Shareholders in full (without interest).

## **6. Underwriting**

If less than the total amount of Shares under the Offer (being less than \$978,000 and 32,600,000 Shares) are applied for pursuant to the Offer, subject to obtaining any necessary shareholder or regulatory approvals (if any), any shortfall Shares will be underwritten pursuant to the Underwriting Agreement described on page 5 above.

## **7. Issue of Shares**

Shares to be issued under the SPP will be issued as soon as reasonably practicable after the Closing Date.

Shares issued under the SPP will rank equally in all respects with all other fully paid ordinary shares in the Company from the date of issue.

Holding statements or CHESS notification will be issued in respect of all Shares issued under the SPP. The Company will, promptly after the issue of Shares under the SPP, make application for those Shares to be listed for quotation on the Official List of ASX.

## **8. Modification and termination of the SPP**

The Company may modify or terminate the SPP at any time. The Company will notify the ASX of any modification to, or termination of, the SPP. The omission to give notice of any modification to, or termination of, the SPP or the failure of ASX to receive such notice will not invalidate the modification or termination.

Without limiting the above, the Company may issue to any Eligible Shareholder fewer Shares than the Eligible Shareholder applied for under the SPP if the issue of the Shares applied for would contravene any applicable law or the Listing Rules of the ASX.

## **9. Dispute resolution**

The Company may, in any manner it thinks fit, settle any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP, whether generally or in relation to any participant, application or Shares. The Company's decision in this respect will be conclusive and binding on all shareholders and other persons to whom that determination relates.

The Company reserves the right to waive strict compliance with any provision of these Terms and Conditions. The Company's powers under these Terms and Conditions may be exercised by the Directors of the Company or any delegate of the directors of the Company.

## **10. Queries**

If you have any questions regarding the SPP or how to deal with this Offer, please contact your stockbroker or professional adviser in the first instance, or the Company.