

Dear Fellow Shareholder

GTI TRANSITION TO GOLD PRODUCER IN AUSTRALIA:

On the 27th January 2017 GTI Resources LTD (GTI) announced the Company has entered into an Option and Lease Agreement with Poseidon Nickel Limited (POS) in relation to the large WINDARRA TAILINGS DAMS and three gold mining exploration leases in Laverton Western Australia.

The ASX release (ASX code GTR) gave details of the JORC Ore Reserve and Mineral Resource Statement.

GTI plans to construct a plant to recover the gold tailings from the three dams.

We encourage you to review the attached Notice and the ASX (GTI) release of the 27th January 2017 and vote for the resolutions to enable your Company to proceed with this exciting gold project.

GTI has reviewed many projects over an extended time frame. This project gives a real opportunity to add value in real terms to the balance sheet of your Company.

On behalf of the board we look forward to your positive response.

Yours Sincerely,

Murray McDonald
Executive Chairman

12th April 2017

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GTI RESOURCES LIMITED

ACN 124 792 132

NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10:00am (WST)
DATE: 16 May 2017
PLACE: A1-118 Railway Street
WEST PERTH WA 6005

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10.00am (WST) on 14 May 2017.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – CHANGE TO SCALE OF ACTIVITIES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purposes of ASX Listing Rules 11.1.2 and for all other purposes, approval is given for the Company to make a significant change in the scale of its activities as described in the Explanatory Statement accompanying this Notice.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. RESOLUTION 2 – PLACEMENT OF SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 60,000,000 Shares on the terms and conditions set out in the Explanatory Statement accompanying this Notice.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. RESOLUTION 3 – ISSUE OF OPTIONS TO RELATED PARTY (M MCDONALD) – KDDG NOMINEES PTY LTD (AS TRUSTEE FOR THE MM SUPER FUND)

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That subject to the passing of the Essential Resolutions, for the purposes of sections 195(4) and 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 26,000,000 Options to KDDG Nominees Pty Ltd (as trustee for the MM Super Fund) (or its nominee) on the terms and conditions set out in the Explanatory Statement accompanying this Notice.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by KDDG Nominees Pty Ltd (as trustee for the MM Super Fund) (or its nominee/s) and any of their associates (**Resolution 3 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 3

Excluded Party, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 3 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

4. RESOLUTION 4 – ISSUE OF PERFORMANCE RIGHTS TO MURRAY MCDONALD

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That subject to the passing of the Essential Resolutions and approval of Resolution 10, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 10,000,000 Performance Rights to Mr Murray McDonald or his nominee on the terms and conditions set out in the Explanatory Statement together with the issue of Shares upon conversion of these Performance Rights on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Murray McDonald (and his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 4 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

5. **RESOLUTION 5 – ISSUE OF OPTIONS TO ANDREW GERALD MORGAN LAW AND GILLIAN BRENDA LAW (AS TRUSTEES FOR THE LAW FAMILY TRUST)**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That subject to the passing of the Essential Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 10,000,000 Options to Andrew Gerald Morgan Law and Gillian Brenda Law (as trustees for the Law family Trust) (or their nominee/s) on the terms and conditions set out in the Explanatory Statement accompanying this Notice.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. **RESOLUTION 6 – ISSUE OF OPTIONS TO JOHN CIGANEK (AS TRUSTEE FOR THE CIGANEK SUPER FUND)**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to the passing of the Essential Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 2,000,000 Options to John Ciganek (as trustee for the Ciganek Super Fund) (or his nominee) on the terms and conditions set out in the Explanatory Statement accompanying this Notice.”

ASX Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. **RESOLUTION 7 – ISSUE OF OPTIONS TO BRAZILLIANT PTY LTD**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to the passing of the Essential Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 8,000,000 Options to Brazilliant Pty Ltd (or its nominee) on the terms and conditions set out in the Explanatory Statement accompanying this Notice.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote,

in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

8. RESOLUTION 8 – ISSUE OF OPTIONS TO JASON PETERSON AND LISA PETERSON AS TRUSTEES FOR THE J & L PETERSON SUPERANNUATION FUND A/C

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to the passing of the Essential Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 2,000,000 Options to Jason Peterson and Lisa Peterson as trustees for the J & L Peterson Superannuation Fund A/C (or their nominee/s) on the terms and conditions set out in the Explanatory Statement accompanying this Notice.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

9. RESOLUTION 9 – ISSUE OF OPTIONS TO KEITH DOUGLAS BOWKER AND NYSSA LOIUSE BOWKER AS TRUSTEES FOR THE BOWKER INVESTMENT FUND

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to the passing of the Essential Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 2,000,000 Options to Keith Douglas Bowker and Nyssa Loiuise Bowker as trustees for the Bowker Investment Fund (or their nominee/s) on the terms and conditions set out in the Explanatory Statement accompanying this Notice.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

10. RESOLUTION 10 – APPROVAL OF PERFORMANCE RIGHTS PLAN

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.2 (Exception 9(b)) as an exception to ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled Performance Rights Plan and for the issue of securities under that scheme on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director or Employee, other than any Directors or Employees who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors or Employees. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 4 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Dated: 12 April 2017

By order of the Board

**Frank Campagna
Company Secretary**

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (ie as directed); and
- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting; or
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 (0) 412 911 930.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. BACKGROUND TO PROPOSED ACQUISITION OF WINDARRA GOLD RIGHTS HELD BY POSEIDON NICKEL LIMITED

1.1 Resolutions to be considered at the Meeting

This Notice of Meeting sets out the Resolutions necessary to complete the Acquisition and associated transactions.

A summary of the Resolutions is as follows:

- (a) the Acquisition, if successfully completed, will represent a significant change in the scale of the Company's operations, for which Shareholder approval is required under ASX Listing Rule 11.1.2 (Resolution 1);
- (b) the placement of 60,000,000 Shares to investors at the Issue Price per Share (Resolution 2);
- (c) the issue of 26,000,000 Options to KDDG Nominees Pty Ltd (as trustee for the MM Super Fund) (or its nominee) (Resolution 3) and the grant of 10,000,000 Performance Rights to Murray McDonald (Resolution 4);
- (d) the issue of 10,000,000 Options to Andrew Gerald Morgan Law and Gillian Brenda Law (as trustees for the Law Family Trust) (or their nominee/s) (Resolution 5);
- (e) the issue of 2,000,000 Options to John Ciganek (as trustee for the Ciganek Super Fund) (or his nominee) (Resolution 6);
- (f) the issue of 8,000,000 Options to Brazilliant Pty Ltd (or its nominee) (Resolution 7);
- (g) the issue of 2,000,000 Options each to Jason Peterson and Lisa Peterson (as trustees for the J & L Peterson Superannuation Fund A/C) (or their nominee/s) and Keith Douglas Bowker and Nyssa Loieuse Bowker (as trustees for the Bowker Investment A/C) (or their nominee/s) (Resolutions 8 and 9); and
- (h) the adoption of a Performance Rights Plan (Resolution 10).

1.2 Background to the Company

The Company was listed on the Australian Securities Exchange in 2007, having raised \$3 million. Since listing, the Company has been exploring for minerals in Australia, initially for uranium and gold, then other metals including silver, nickel and copper, and more recently, over the last 2 years, gold and base metals.

The Company has been an active explorer when funded, however as a result of the market generally in the last 2 years, its activities had reduced, while being funded from small placements, asset sales and director loans. The Company's

stated objective has always been to actively seek opportunities to expand its portfolio of assets, while at the same time exploring the existing assets it held.

1.3 Proposed acquisition of Windarra gold rights held by Poseidon Nickel Limited

As announced on 27 January 2017, the Company has entered into an Option and Lease Agreement with Poseidon Nickel Limited (**POS**) in relation to the Windarra tailings dams and three gold mining exploration leases in Laverton, Western Australia (**Acquisition**).

The rights the subject of the Acquisition are presently held by POS under a state agreement (State Act MSA261) (**State Agreement**).

Terms of Acquisition

Subject to completion of due diligence to its satisfaction, finance and the West Australian Government terminating the 1971 State Agreement and transferring the POS nickel operation so that it is subject to the *Mining Act 1978 (WA)*, the Company intends to acquire 100% of the gold rights on the Windarra leases, including the three major tailings dumps being the Windarra North, Central and Southern Dumps.

The Company will also seek to construct a plant and treat the tailings from these dumps.

The key terms of the Acquisition are that POS will transfer the gold rights to the Company (via the lease mechanism below) in consideration of:

- (a) the grant of a 5 year and 6 months lease to access the site and mine and process materials on the area the subject of the State Act MSA261. The forecast treatment rate is expected to result in the tailings being treated well within this lease period;
- (b) initial \$25,000 cash payment to secure the due diligence period under an option until 28 March 2017 which has been extended to 31 May 2017 by a further cash payment of \$100,000. These amounts have been paid;
- (c) if the Company decides to exercise the option, the payment of \$975,000 on or before 31 May 2017;
- (d) a further payment of \$1 million on or before 28 June 2017;
- (e) a final payment of \$1 million on termination of the State Act MSA261; and
- (f) a royalty of 1% on any new gold discovery on the 3 Windarra exploration leases (noting no royalty is payable in relation to the Windarra tailings dams).

The Company plans to have all commitments in place by 31 May 2017 in order to satisfy the payments due by 28 June 2017. Discussions have been ongoing with identified debt funders to finance the relocatable processing plant going forward. There will be a need for further equity to be raised.

The Acquisition is conditional on the termination of the State Agreement and the grant of a mining lease(s) that replaces the existing State Agreement, however the funds paid are not refundable. This is an important issue for Shareholders to be aware of.

POS is already in discussions with the State for that agreement to be terminated early and for the POS nickel operation to come under the Mining Act. The termination of the State Agreement requires an act of State Parliament allowing for the issue of a mining lease under the *Mining Act 1978 (WA)*. The current advice from the Department of State Development is that termination is likely to occur in the second half of 2017, however this is not a matter that the Company is able to control.

For these reasons, the Acquisition is subject to risks in respect of timing of the termination of the State Agreement and grant of a new mining lease, non-refundable payments and normal risks applicable to a mining operation, and shareholders need to consider these risks in forming an opinion on this Acquisition.

Project Details

The Windarra Nickel Project is an historical mine site previously operated by Western Mining/BHP Billiton during the period 1973 -1995. During this period, a number of gold mines were operated by Western Mining and the tailings from many years of production are contained in the Windarra North, Central and Southern Dumps. The Company plans to extract gold and other minerals from these dumps and commence further exploration on three targeted mining leases.

Nickel rich gossan outcrops were first discovered in 1969 through a surface prospecting programme. Subsequent exploration and drilling programmes during the period 1969-1971 defined nickel sulphides deposits at the Mt Windarra and south Windarra prospects. In 1973 Western Mining Corporation (**WMC**) acquired the properties and in 1974 underground mining commenced at Mt Windarra and open pit mining in south Windarra.

WMC continued mining with periodic interruptions until 1994 when operations ceased due to a prolonged and substantial fall in nickel prices. WMC also mined and processed 5.1 million tonnes of gold at a grade of 5g/t for 704,000 oz from WMC owned and operated gold mines in the Laverton region (WMC production report 1995).

Gold tailings were also deposited in the dumps from local mines during the 1980's and 1990's.

The Company now has access to all of POS's data and reports including a definitive feasibility study (**DFS**) and gold tailings mine plan completed in 2012, together with the assistance of the POS team to form an opinion on or before 31 May 2017 (expiry date of due diligence and first payment payable under the agreement).

Further details in respect of the Project are set out in the announcements made by the Company on ASX.

Current Capital Structure

The Company has 80,766,669 ordinary shares and no options on issue.

The Company needs to raise funds to finance the Acquisition and for its existing operations.

The intended initial capital raising is:

- (a) a share purchase plan (**SPP**) for the offer of up to 24 million shares at 3 cents per share to raise \$720,000; and
- (b) an issue of up to 60 million shares, each at the Issue Price. This would be undertaken with the shareholder approval the subject of this Notice of General Meeting.

As a result of the Acquisition, and assuming a capital raising of the full 60 million shares, the capital structure would be as follows:

Particulars	Prior to acquisition	Share Purchase Plan	Second Capital Raising	Management	Pro forma	Percentage increase
Total No of shares	80,766,669	24,000,000	60,000,000		164,766,669	204.00%
Total No of options				50,000,000	50,000,000	

Existing Operations

The Company continues to expend funds on its existing tenements prospective for gold. The Company will continue to expend funds on these existing projects in order to maintain these projects in good standing.

Board and Management

The Board of Directors and management of the Company may change as a result of the Acquisition however this decision is pending. The changes would only be in order to ensure the Company has appropriate and suitable Directors to take the Company to production on the new project, and any changes would not alter the control of the Board.

A decision in relation to whether or not a new Director will be appointed to the Board of the Company in connection with the Acquisition has not yet been made.

The Company does not intend to appoint a director of Poseidon Nickel Limited to the Board of the Company in connection with the Acquisition.

The Company does not require that any of the current Directors resign from the Board in connection with the Acquisition.

Business Model

If successfully completed, the Acquisition will represent a significant change in the scale of the Company's operations, and in order to accommodate that change the Company will modify its business model as follows:

- (a) complete a capital raising(s) in an amount sufficient to fund the instalments due under the Option and Lease Agreement with POS;
- (b) complete discussions with identified debt funders to finance the relocatable processing plant going forward for the undertaking of operations on the relevant leases and tailings sites; and

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- (c) identify and source appropriate personnel and contractors (as necessary) to undertake the operations on site.

Acquisition Timetable

The timetable for implementing the Acquisition is as follows:

General Meeting to consider the Acquisition and other Resolutions	16 May 2017
Complete capital raising as approved under this Notice of Meeting	On or before 31 May 2017
Last date for exercise of the option for the transfer of the gold rights to the Windarra leases and tailings dumps and make payment of \$975,000	On or before 31 May 2017
Payment of 2 nd instalment of \$1 million	On or before 28 June 2017
Payment of final instalment of \$1 million on termination of State Act MSA 261	Date not set as subject to confirmation and expected in 2 nd half 2017
Grant of lease and access to site and commence mining operations	Date not set as subject to confirmation and after payment of final instalment

1.4 Pro-forma Statement of Financial Position

Set out in Schedule 1 is a pro forma balance sheet of the Company assuming that the Resolutions have been passed but assuming the Acquisition has not settled as it remains subject to an option and the raising of capital.

The historical and pro-forma information is presented in an abbreviated form, insofar as it does not include all of the disclosure required by the Australian Accounting Standards applicable to annual financial statements.

1.5 Plans for the Company if the Resolutions not passed

If the Resolutions are not passed and the Acquisition is not implemented, the Company will continue to focus on its existing assets.

1.6 Directors' interests in the Acquisition

None of the Company's existing Directors have any interest in the proposed Acquisition, other than as disclosed in this Notice.

The Chairman will cast all available proxies in favour of all Resolutions.

2. RESOLUTION 1 – CHANGE TO SCALE OF ACTIVITIES

2.1 General

The Acquisition, if approved by Shareholders at this General Meeting, will have a significant impact on the scale of activities undertaken by the Company. Accordingly, Resolution 1 seeks Shareholder approval for the Acquisition pursuant to ASX Listing Rule 11.1.2.

A detailed description of the Acquisition is set out above at Section 1 of the Explanatory Statement.

Resolution 1 is conditional on Resolution 2 also being approved.

2.2 ASX Listing Rule 11.1

ASX Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the scale of its activities, it must provide full details to ASX as soon as practicable. ASX Listing Rule 11.1.2 provides that, if ASX requires, the entity must get the approval of Shareholders and must comply with any requirements of ASX in relation to the Notice of Meeting.

ASX has advised the Company that the change in the scale of the Company's activities does not require the Company to re-comply with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules in accordance with ASX Listing Rule 11.1.3.

For this reason, the Company is seeking Shareholder approval for the Company to change the scale of its activities under ASX Listing Rule 11.1.2.

3. RESOLUTION 2 – PLACEMENT OF SHARES

3.1 General

This Resolution seeks Shareholder approval for the issue of up to 60,000,000 Shares at the Issue Price per Share (**Placement**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of this Resolution will be to allow the Company to issue the Shares pursuant to the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

3.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) the maximum number of Shares to be issued is 60,000,000;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur progressively;

- (c) the issue price will be the Issue Price per Share;
- (d) the Shares will be issued to sophisticated investors under the Placement. None of these subscribers will be related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to use the funds raised from the Placement for the purpose of funding the Acquisition described in Section 1.3 of this Explanatory Statement.

4. RESOLUTION 3 AND 4 – ISSUE OF OPTIONS TO RELATED PARTY – KDDG NOMINEES PTY LTD (AS TRUSTEE FOR THE MM SUPER FUND) AND GRANT OF PERFORMANCE RIGHTS TO MURRAY MCDONALD

4.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue a total of 26,000,000 Options (**Related Party Options**) to KDDG Nominees Pty Ltd (as trustee for the MM Super Fund) (or its nominee), a company controlled by Mr Murray McDonald, a Director of the Company (**Related Party**) on the terms and conditions set out below.

Resolution 3 seeks Shareholder approval for the grant of the Related Party Options to the Related Party (or its nominee).

The Company has further agreed to grant 10,000,000 Performance Rights to Murray McDonald and Resolution 4 seeks this approval.

4.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Related Party Options and Performance Rights constitutes giving a financial benefit and KDDG Nominees Pty Ltd (as trustee for the MM Super Fund) is a related party of the Company by virtue of being controlled by a Director of the Company (being Mr Murray McDonald). Mr McDonald is a related party in his own right as the grantee of the Performance Rights.

The Directors (other than Mr McDonald who has a material personal interest in the Resolutions) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of the Related Party Options and the Performance Rights because the financial benefit to the Related Party and Mr McDonald is considered to constitute part of the reasonable remuneration of Mr McDonald. In reaching this conclusion, the Board (other than Mr McDonald, who has a material personal interest in the

Resolutions) has had regard to a variety of factors including market practice and the remuneration offered to persons in comparable positions at comparable companies.

4.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the grant of the Related Party Options and the Performance Rights involves the issue of securities to related parties of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

4.4 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolutions 3 and 4:

- (a) the Related Party Options will be granted to KDDG Nominees Pty Ltd (as trustee for the MM Super Fund) (or its nominee) and the Performance Rights will be granted to Mr McDonald personally;
- (b) the maximum number of Related Party Options to be issued is 26,000,000 and the maximum number of Performance Rights is 10,000,000;
- (c) the Related Party Options and Performance Rights will be granted no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Related Party Options and Performance Rights will occur on the same date;
- (d) KDDG Nominees Pty Ltd (as trustee for the MM Super Fund) is a related party of the Company by virtue of being controlled by a Director of the Company (being Mr Murray McDonald). Mr McDonald is a related party by virtue of being a Director;
- (e) the Related Party Options and Performance Rights will be issued for nil cash consideration and the Related Party Options will be exercisable at \$0.08 per Option, and accordingly no funds will be raised;
- (f) the Related Party Options will be issued on the terms and conditions set out in Schedule 2;
- (g) the Performance Rights will be issued on the terms set out in Schedule 3; and
- (h) a voting exclusion statement has been included in the Notice in connection with Resolutions 3 and 4.

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the Related Party Options or Performance Rights as approval is being obtained under ASX Listing Rules 10.11 and 10.14 respectively. Accordingly, the grant of the Related Party Options and Performance Rights to the Related Party will not

be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

5. RESOLUTIONS 5 TO 9 – ISSUE OF OPTIONS TO VARIOUS THIRD PARTIES

5.1 General

Resolution 5 seeks Shareholder approval for the issue of up to 10,000,000 Options to Andrew Gerald Morgan Law and Gillian Brenda Law (as trustees for the Law Family Trust) (or their nominee/s) on the terms and conditions set out below.

Resolution 6 seeks Shareholder approval for the issue of up to 2,000,000 Options to John Ciganek (as trustee for the Ciganek Super Fund) (or his nominee) on the terms and conditions set out below.

Resolution 7 seeks Shareholder approval for the issue of up to 8,000,000 Options to Brazilliant Pty Ltd (or its nominee) on the terms and conditions set out below.

Resolution 8 seeks Shareholder approval for the issue of up to 2,000,000 Options to Jason and Lisa Peterson as trustees for the J & L Peterson Superannuation Fund A/C) (or their nominee/s) on the terms and conditions set out below.

Resolution 9 seeks Shareholder approval for the issue of up to 2,000,000 Options to Keith Douglas Bowker and Nyssa Loieuse Bowker as trustee for the Bowker Investment Fund (or their nominee/s) on the terms and conditions set out below.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

5.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of the above Options:

- (a) the maximum number of Options to be issued is 24,000,000;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Options will occur on the same date;
- (c) the Options will be issued for nil cash consideration and will be exercisable at \$0.08 per Option, and accordingly no funds will be raised;
- (d) 10,000,000 Options will be issued to Andrew Gerald Morgan Law and Gillian Brenda Law (as trustees for the Law Family Trust) (or their nominee/s), 2,000,000 Options will be issued to John Ciganek (as trustee for the Ciganek Super Fund) (or his nominee), 8,000,000 Options will be issued to Brazilliant Pty Ltd (or its nominee), 2,000,000 Options will be issued to Jason and Lisa Peterson as trustees for the J & L Peterson Superannuation Fund A/C) (or their nominee/s) and 2,000,000 Options will be issued to Keith Douglas Bowker and Nyssa Loieuse Bowker as trustees for the Bowker Investment Fund (or their nominee/s). None of these subscribers are related parties of the Company;

- (e) the Options will be issued on the terms and conditions set out in Schedule 2; and
- (f) a voting exclusion statement has been included in the Notice in connection with Resolutions 5 – 9 (inclusive).

6. RESOLUTION 10 – PERFORMANCE RIGHTS PLAN

Resolution 10 seeks Shareholder approval for the adoption of the Employee Incentive Scheme titled Performance Rights Plan (**Plan**) in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

An exception to ASX Listing Rule 7.1 (the 15% rule) is set out in ASX Listing Rule 7.2 (Exception 9) which provides that issues under an employee incentive plan are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the plan as an exception to ASX Listing Rule 7.1.

If Resolution 10 is passed, the Company will be able to issue Performance Rights under the Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

Shareholders should note that no Performance Rights have previously been issued under the Plan.

A Performance Right is exercisable, at no cost, on satisfaction of relevant performance hurdles, into a Share.

The objective of the Plan is to provide the Company with a remuneration mechanism, through the issue of securities in the capital of the Company, to motivate and reward the performance of employees in achieving specified performance milestones within a specified performance period. The Board will continue to ensure that the performance milestones attached to the securities issued pursuant to the Plan are aligned with the successful growth of the Company's business activities.

A summary of the terms of the Plan is provided in Schedule 4 to this Explanatory Statement. A copy of the Plan will be made available free of charge to any Shareholder on request.

It is considered by the Directors that the adoption of the Plan and the future issue of Performance Rights under the Plan will provide selected employees with the opportunity to participate in the future growth of the Company. Any future issues of Performance Rights under the Plan to a related party or a person whose relation with the Company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

GLOSSARY

\$ means Australian dollars.

Acquisition is defined in Section 1.3 of the Explanatory Statement.

ASIC means the Australian Securities & Investments Commission.

ASX Listing Rules means the Listing Rules of ASX.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means GTI Resources Ltd (ABN 33 124 792 132).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Essential Resolutions means Resolutions 1 and 2.

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by the Notice.

Issue Price means a price being at least 80% of the volume weighted average market price for the Shares, calculated over the last 5 days on which sales of the Shares were recorded before the day on which the issue of the Shares was made.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having

authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Optionholder means a holder of an Option or Related Party Option as the context requires.

Performance Rights means the rights to be issued under Resolution 4 on the terms set out in Schedule 4.

Proxy Form means the proxy form accompanying the Notice.

Related Party Option means an Option granted pursuant to Resolution 3 with the terms and conditions set out in Schedule 2.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – PRO FORMA BALANCE SHEET

	31 Dec 2016	Adjustments	Unaudited Post- Adjustments	
Note	\$	\$		
Current assets				
Cash and cash equivalents	1	37,094	545,000	582,094
Trade and other receivables		3,812	-	3,812
Total current assets		40,906	545,000	585,906
Non-current assets				
Plant and equipment		1,729	-	1,729
Capital expenditure (Poseidon Part-acquisition)		-	1,975,000	1,975,000
Other financial assets		7,501	-	7,501
Total non-current assets		9,230	1,975,000	1,984,230
Total assets		50,136	2,520,000	2,570,136
Current liabilities				
Trade payables		35,541	-	35,541
Directors' entitlements		496,711	-	496,711
Director's unsecured loan		119,456	-	119,456
Provisions		128,805	-	128,805
Total current liabilities		780,513	-	780,513
Non-current liabilities				
Provisions		42,093	-	42,093
Total non-current liabilities		42,093	-	42,093
Total liabilities		822,606	-	822,606
Net Assets / (Liabilities)		(772,470)	-	1,747,530
Equity				
Issued capital		5,773,592	2,520,000	8,293,592
Reserves		210,036	-	210,036
Accumulated losses		(6,756,098)	-	(6,756,098)
Total Equity / (Deficiency)		(772,470)	2,520,000	1,747,530

Pro-forma Adjustments

The pro forma statement of financial position has been prepared based on the audited financial statements as at 31 December 2016 that has been adjusted to reflect payment of \$1,975,000 to Poseidon as at 28 June 2017.

Notes: subject to Shareholders approving resolutions:

- 1) Assuming 24,000,000 shares issued at 3 cents per share
- 2) Assuming 60,000,000 shares allotment price not less than 3 cent

SCHEDULE 2 – TERMS AND CONDITIONS OF OPTIONS

(a) **Entitlement**

Each Option is unlisted and entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.08 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 30 June 2021 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on and from the date that the relevant Option vests in accordance with (c), until the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the later of the following:

- (i) the Exercise Date; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after the Exercise Date, the Company will:

- (iii) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section

708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

- (v) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(iv) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

SCHEDULE 3 – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

A summary of the terms and conditions of the Performance Rights is set out below. Defined terms are as stated in the Performance Rights Plan, unless the context indicates otherwise.

- (a) **(Milestones)**: The Performance Rights shall have the milestone that the Acquisition as set out in the Notice is completed and the volume weighted average share price of the Company over a 20 trading day period is equal to 20 cents per share or more.
- (b) **(Notification to holder)**: The Company shall notify the holder in writing when the relevant Milestones have been satisfied.
- (c) **(Vesting)**: The relevant Performance Rights shall vest on the date that the Milestone relating to that Performance Right has been satisfied; or
- (d) **(Change of Control)**: The Board may in its absolute discretion, resolve to waive any of the vesting conditions and Milestones upon the occurrence of a change of control event, which includes:
- (i) a bona fide takeover bid is declared unconditional and the bidder has acquired a relevant interest in at least 50.1% of the Company's issued Shares;
 - (ii) a court approves, under Section 411(4)(b) of the Corporations Act, a proposed compromise or arrangement for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
 - (iii) in any other case, a person obtains voting power (as defined in section 9 of the Corporations Act) in the Company which the Board (which for the avoidance of doubt will comprise those Directors immediately prior to the person acquiring that voting power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board.
- (e) **(Consideration)**: The Performance Rights will be issued as consideration for the Eligible Person satisfying the applicable performance conditions over the relevant performance period, and no consideration will be payable upon the vesting of the Performance Rights.
- (f) **(Conversion)**: Upon satisfaction of the relevant Performance Rights vesting, each Performance Right will, at the election of the holder, vest and convert into one Share.
- (g) **(Lapse of a Performance Right)**: If the Milestone attaching to a Performance Right has not been satisfied in the time period of 3 years after issue then it will automatically lapse.
- (h) **(Share ranking)**: All Shares issued upon the vesting of Performance Rights will upon issue rank pari passu in all respects with other Shares.
- (i) **(Listing of Shares on ASX)**: The Company will not apply for quotation of the Performance Rights on ASX. However, the Company will apply for quotation of all Shares issued pursuant to the vesting of Performance Rights on ASX within the period required by ASX.

- For personal use only
- (j) **(Transfer of Performance Rights):** A Performance Right is not transferable except with the prior written consent of the board of the Company.
 - (k) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Performance Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights.
 - (l) **(Adjustment for bonus issue):** If securities are issued pro-rata to Shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the number of Performance Rights to which each holder is entitled, will be increased by that number of securities which the holder would have been entitled if the Performance Rights held by the holder were vested immediately prior to the record date of the bonus issue, and in any event in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the bonus issue.
 - (m) **(Adjustment for reconstruction):** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of a Performance Right (including the Vesting Conditions) are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
 - (n) **(Dividend and Voting Rights):** A Performance Right does not confer upon the holder an entitlement to vote or receive dividends.

SCHEDULE 4 – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS PLAN

A summary of the key terms of the Performance Rights Plan is set out below:

(a) **Eligibility**

The Board may from time to time in its absolute discretion issue invitations to Eligible Persons to participate in the Performance Rights Plan.

(b) **Offers to Participate**

An offer (**Offer**) to Eligible Persons to participate in the Performance Rights Plan must set out:

- (i) the date of the Offer;
- (ii) the name of the Eligible Person to whom the Offer is made;
- (iii) the number of Performance Rights which are capable of vesting (resulting in the issue of Shares) if specific performance conditions are met;
- (iv) the performance conditions and performance period in relation to the Performance Rights;
- (v) the approximate date or dates on which the performance conditions are to be measured (in respect of the Performance Rights) in order to determine whether the Eligible Person will be issued with Shares;
- (vi) the expiry date;
- (vii) whether any restrictions on transfer will be imposed by the Board on some or all of the Shares issued or transferred to the participant under the Performance Rights Plan; and
- (viii) the time period in which the Eligible Person may accept the Offer.

(c) **Participation**

The Board retains complete discretion to make offers of Performance Rights to any Eligible Person.

(d) **Nature of Performance Rights**

A Performance Right is a right to receive a Share on the terms set out in the Performance Rights Plan subject to satisfaction of the applicable performance conditions over the relevant performance period. The performance period, performance conditions and test dates for measuring the performance conditions may be determined by the Board from time to time, and shall be set out in the Offer to the Eligible Person.

(e) **Vesting**

Performance Rights may vest in the following ways:

- (i) if the applicable performance conditions in relation to a performance period are met as at the relevant test date as set out in the Offer, the

Board will determine the number of Performance Rights which will become vested Performance Rights; and

- (ii) in the event a takeover bid for the Company is declared unconditional, there is a change in control event (being an event where a shareholder or a group of associated shareholders gain the ability to control more than 50% of the voting power in the Company, or become entitled to sufficient Shares to give it or them the ability in general meeting to replace all or a majority of the Board), or if a merger by way of scheme of arrangement has been approved by a court.

(f) **Cessation of employment**

Unless otherwise determined by the Board:

- (i) if an Eligible Person ceases to be an Eligible Person because of retirement, redundancy, death or total and permanent disablement, the Board will determine the extent to which unvested Performance Rights held by the Eligible Person shall vest and the Eligible Person may exercise vested performance rights within 6 months or such longer period as the Board may determine;
- (ii) if an Eligible Person ceases to be an Eligible Person for any reason other than retirement, redundancy, death or total and permanent disablement, unvested Performance Rights shall automatically lapse;
- (iii) if an Eligible Person ceases to be an Eligible Person because of retirement, redundancy, death or total and permanent disablement, any vested Performance Rights held by the Eligible Person shall continue to be able to be exercised at any time prior to the expiry date; and
- (iv) if an Eligible Person ceases to be an Eligible Person for any reason other than retirement, redundancy, death or total and permanent disablement, vested Performance Rights may be exercised within 1 month or such longer period as the Board may determine.

(g) **Lapse of Performance Rights**

Unless otherwise determined by the Board a Performance Right lapses on the earlier of:

- (i) where performance conditions have not been satisfied on the test date and the Board determines that the Performance Right lapses, the date of the determination;
- (ii) if an Eligible Person ceases to be an Eligible Person because of retirement, redundancy, death or total and permanent disablement, the date of lapse referred to above;
- (iii) if an Eligible Person ceases to be an Eligible Person for any reason other than retirement, redundancy, death or total and permanent disablement, the date of lapse referred to above;
- (iv) if the opinion of the Board the Eligible Person acts fraudulently or dishonestly or is in material breach of his or her obligations to the Company and the Board determines that the Eligible Person's Performance Rights will lapse, the date of the determination;

- (v) if an Eligible Person has not exercised Performance Rights which have vested because of a takeover, change in control event or scheme of arrangement by the time specified by the Board, that date; and
- (vi) the expiry date.

(h) **Restriction on Transfer of Performance Rights**

Except on the death of an Eligible Person, Performance Rights may not be transferred, assigned or novated except with the approval of the Board.

(i) **Issue Limitations**

A Performance Right may not be issued if, immediately following its issue, the Shares to be received on exercise of the Performance Right when aggregated with:

- (i) the number of Shares which would be issued were each outstanding offer or Performance Right, being an offer made or Performance Right acquired pursuant to the Performance Rights Plan or any other employee incentive scheme extended only to employees or Directors; and
- (ii) the number of Shares issued in the previous 5 years pursuant to the Performance Rights Plan or any other employee incentive scheme extended only to employees or directors of the Company or an associated body corporate,

but disregarding any offer made, or Performance Right acquired or Share issued by way of or as a result of:

- (iii) an offer to a person situated at the time of receipt of the offer outside Australia; or
- (iv) an offer that did not need disclosure to investors because of section 708 of the Corporations Act; or
- (v) an offer made under a disclosure document,

exceeds 5% of the total number of issued shares in that share class of the Company at the time the Performance Right is offered.

(j) **Reorganisation of Capital**

In the event of any reorganisation of the issued capital of the Company, the number of Performance Rights to which each Eligible Person is entitled or the exercise price of his or her Performance Rights or both will be reorganised in accordance with the provisions of the ASX Listing Rules.

(k) **Amendment of Performance Rights Plan**

Subject to the Listing Rules, the Board retains the discretion to amend the rules of the Performance Rights Plan or to terminate it at any time.

PROXY FORM

GTI RESOURCES LTD
ACN 124 792 132

GENERAL MEETING

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

OR: the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 10.00am, on 16 May 2017 at A1-118 Railway Street, WEST PERTH, WA, AUSTRALIA, 6005, and at any adjournment thereof.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 3 and 4 (except where I/we have indicated a different voting intention below) even though Resolution 3 and 4 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting on business of the Meeting		FOR	AGAINST	ABSTAIN
Resolution 1	Change to Scale of Activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Placement of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Issue of Options to KDDG Nominees Pty Ltd (as trustee for the MM Super Fund)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Issue of Performance Rights to Murray McDonald	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of Options to trustees for the Law Family Trust	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Issue of Options to J Ciganek (as trustee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Issue of Options to Brazilliant Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Issue of Options to J & L Peterson Superannuation Fund A/C	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Issue of Options to Bowker Investment Fund A/C	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Adoption of Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: _____ %

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date: _____

For personal use only

Contact name: _____

Contact ph (daytime): _____

E-mail address: _____

Consent for contact by e-mail
in relation to this Proxy Form: YES NO

For personal use only

Instructions for completing Proxy Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
 - **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to GTI Resources Limited, A1-118 Railway Street, WEST PERTH, WA, AUSTRALIA, 6005; or
 - (b) facsimile to the Company on facsimile number +61 6323 1128; or
 - (c) email to the Company at info@gtiresources.com.au,so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.