

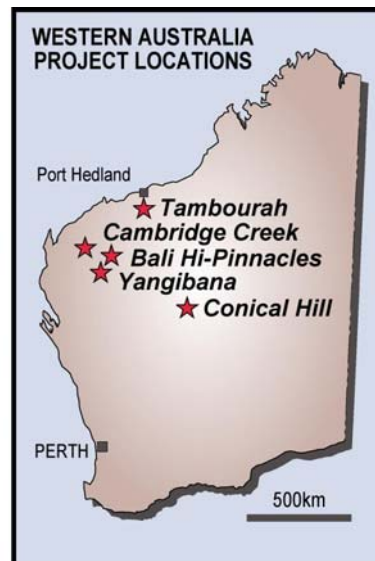
## ACTIVITIES REPORT, SEPTEMBER QUARTER 2007

- **\$4 million raised in fully underwritten IPO, heavily oversubscribed**
- **10<sup>th</sup> August, 2007 listing on ASX (code: GTR)**
- **Exploration of Western Australian uranium and gold projects underway**
- **High grade uranium to 1.67% U<sub>3</sub>O<sub>8</sub> in Yangibana gossan samples**
- **New project generation and acquisition program implemented**

GTI Resources Ltd commenced trading on ASX on Friday, 10<sup>th</sup> August following a successful IPO which was heavily oversubscribed. The offer was fully underwritten by KTM Capital of Sydney.

Research and compilation of historical exploration data at Yangibana has revealed significant high grade but previously unknown uranium sample results, up to 16,679ppm U<sub>3</sub>O<sub>8</sub> (1.67%) in gossanous ironstone and 1,895ppm U<sub>3</sub>O<sub>8</sub> (0.19%) in granitic basement rocks. Further work is underway to evaluate the uranium potential of these prospects, as previous exploration has been largely focussed on rare earth and base metal mineralisation.

Executive Chairman, Murray McDonald, said “ We welcome our new shareholders and thank them for their support in achieving the public listing of GTI. The Company is looking forward to increasing shareholder value through focussed and effective exploration programmes, which are now underway, and by the pursuit of further opportunities for acquisitions, joint ventures and investments in the resource sector.”



**Bali Hi Project Area and GTI Project Locations** **Figure 1**

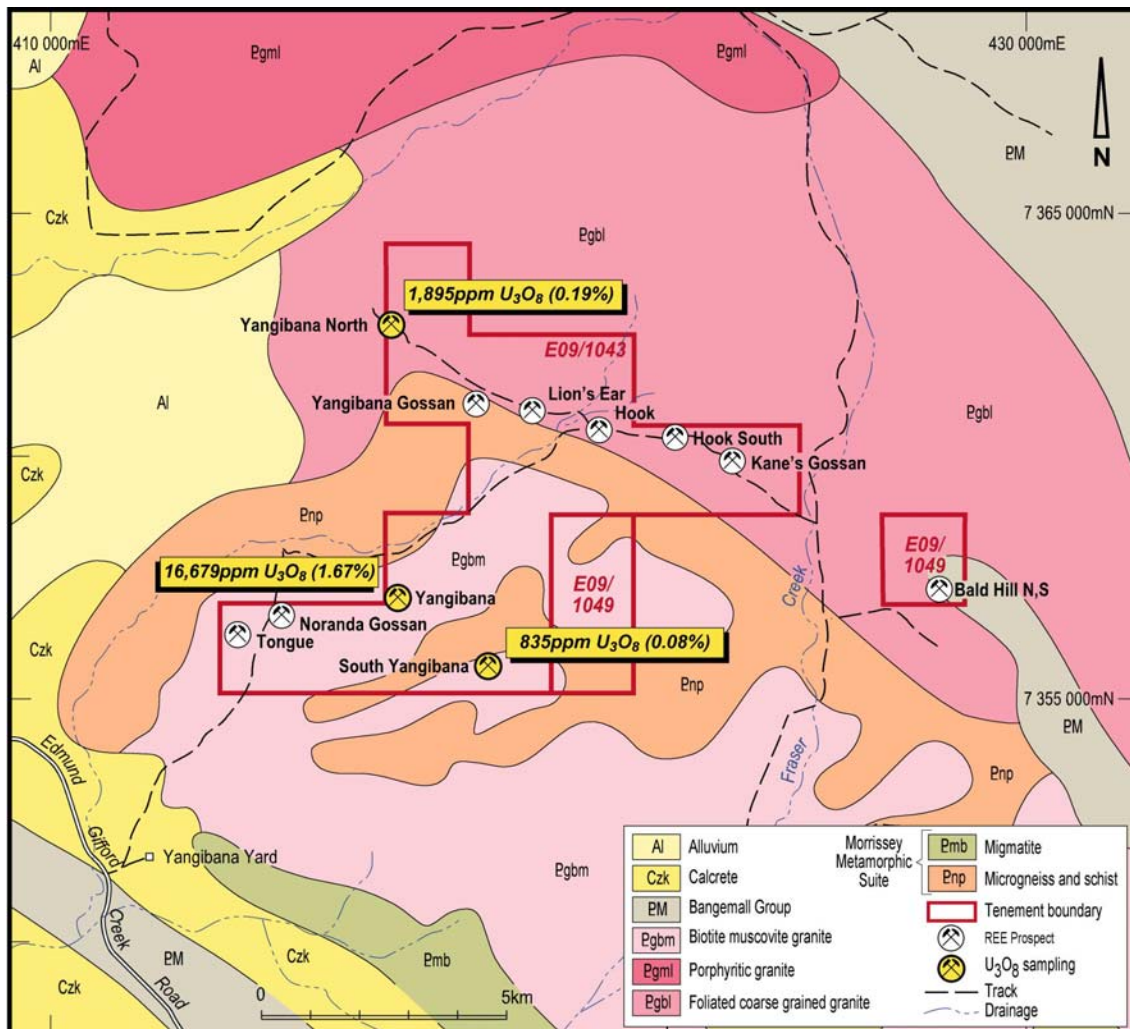
Since listing, GTI has accelerated exploration programmes at its five Western Australian uranium and gold projects, as set out in the prospectus. Two exploration licences have been granted, at Cambridge Creek and Conical Hill, and an additional new licence has been applied for at Cambridge Creek.

Due to recent unexpected and significant ill health, founding Executive Director Greg Down resigned this month from the Company. The Board would like to thank Greg for his significant contributions to GTI Resources since incorporation and in particular achieving an ASX listing. Greg will retain involvement with the Company as a consultant, as circumstances permit.

Darren Crawte, GTI's Company Secretary, has been appointed as Non Executive Director.

**Yangibana (Uranium-Rare Earths, GTI 100%)**

The project area, 260km northeast of Carnarvon, is dominated by granitic intrusives flanking a metasedimentary horizon with Rare Earth Element (REE) mineralisation, exposed in gossanous outcrop. Previously unknown high-grade uranium sample results were discovered in an old exploration report and are considered to have significantly increased the project's potential.



**Yangibana Project, showing Rockchip Sample Location and U<sub>3</sub>O<sub>8</sub> Results**

**Figure 2**

High grade uranium results up to 16,679ppm  $U_3O_8$  (1.67%) were reported by previous explorer, Hurlston Pty Ltd, in an open file report held by the Geological Survey of Western Australia. This previously unknown geochemical data was located during detailed research and database compilation by the Company's consulting geologist.

Within GTI's tenements, a total of 33 rock samples had been collected in three prospect areas – North Yangibana, Yangibana and South Yangibana - and analysed for a range of 38 major, minor and trace elements (Figure 2). Of these, 19 samples were of iron-rich gossan samples and 14 were of adjacent granitic and associated basement host rock.

Nine gossanous ironstone samples at North Yangibana ranged from 61ppm to 1,880ppm  $U_3O_8$  and averaged 725ppm  $U_3O_8$ . A further 9 granitic rock samples ranged from 48ppm to 1,895ppm  $U_3O_8$  and averaged 847ppm  $U_3O_8$ .

At the main Yangibana prospect, eight ironstone samples averaged 3,251ppm  $U_3O_8$  with a range of 107ppm – 16,679ppm  $U_3O_8$ , and one granitic sample returned 482ppm  $U_3O_8$ .

Two ironstone samples at South Yangibana returned 68ppm and 718ppm  $U_3O_8$ , while four granitic samples ranged from 213ppm-835ppm and averaged 504ppm  $U_3O_8$ .

The Company is extremely encouraged by these sample results, which greatly enhance the Yangibana project's potential as a uranium target. As no precise details of sampling method, sample location or analytical methods are given in the open file report, GTI is planning further exploration to confirm this historical data.

Significant Rare Earth Element results recorded in the original rock sampling programme were followed up by reconnaissance RC drilling by Hurlston in 1988. Drilling results demonstrated significant REE mineralisation over 7 kilometres strike length, but no uranium analyses were reported from this work.

### **Cambridge Creek (Uranium, GTI 100%)**

Exploration Licence E08/1561 was granted soon after the end of the reporting period, and an additional licence was applied for in September.

Cambridge Creek lies within the Gascoyne Complex of high grade metasedimentary rocks, orthogneiss and granitoids near the western margin of the Capricorn Orogen, approximately 180 kilometres southeast from Exmouth. GTI is targeting uranium mineralisation in intrusive pegmatite deposits and shear hosted hydrothermal and unconformity-style deposits.

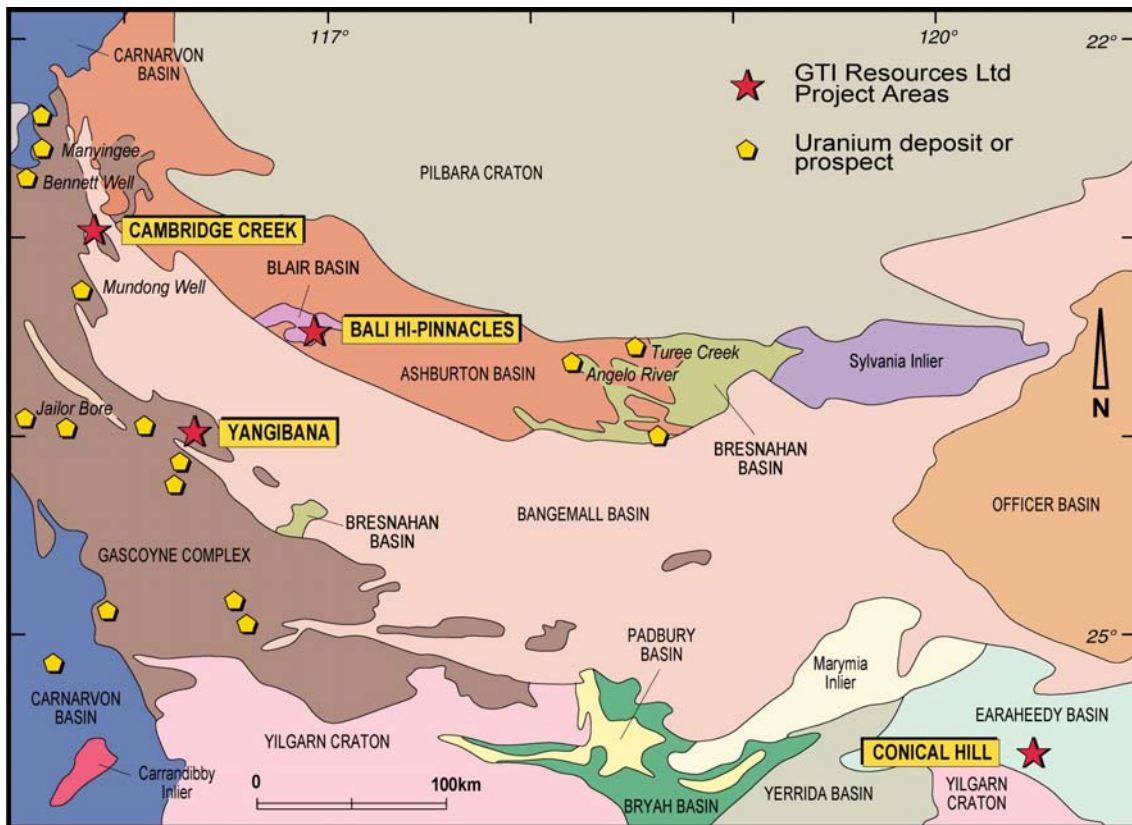
Prior to granting of the tenure, the Company has progressed database compilation and GIS capture of previous exploration results, remote sensing and geophysical data. Initial fieldwork will entail validation and ground truthing of the digital information, exploration planning and target generation.

**Conical Hill (Uranium, GTI 100%)**

At Conical Hill, 150 kilometres northeast from Wiluna, exploration licence E69/2119 was granted in August shortly after listing. Field exploration has been commenced, including reconnaissance radiometric traversing along existing station tracks on Granite Peaks station.

The main target in the project area is calcrete-hosted uranium mineralisation, similar to that discovered adjacent to E69/2119 in 1972 by Esso Australia Limited. Remote sensing interpretation has been commenced, together with review of existing airborne radiometric and magnetic survey data, to better define anomalous target areas and zones of potential calcrete development.

Scintillometer surveying of basement shales of the Chiall Formation defined zones of anomalous radioactivity, up to 5x background. The best defined anomaly encountered to date is just north of Snowy Well, over ferruginous laterite, and coincides with a marked uranium-channel peak on regional airborne radiometrics. Further follow-up is planned, once E69/2400 has been granted.



Capricorn Orogen Projects and Uranium Deposits

Figure 3

**Bali Hi – Pinnacles (Uranium–Copper–Gold, GTI 90-100%)**

GTI has continued evaluation of the uranium-high grade base metal mineralisation on the Bali shear within E098/1372, including target generation for additional zones on adjacent structures. Previous significant results at Bali Lo were 4,273ppm U<sub>3</sub>O<sub>8</sub> (0.43%) and 2,906ppm U<sub>3</sub>O<sub>8</sub> (0.29%) with 4.2% Cu and 20.1% Cu respectively.

The programme presented in the prospectus has been commenced, initially comprising database establishment and compilation of previous exploration data. No fieldwork was undertaken on the project during the quarter.

Detailed airborne radiometric and magnetic surveys, flown on behalf the Geological Survey of Western Australia and recently released, will provide additional targeting. Interpretation of this data, together with the completed digital database, will allow better definition of drill targets for testing planned for early 2008.

### **Tambourah (Gold-Base Metals, GTI 90%)**

Fieldwork commenced at the Tambourah project, 160 kilometres southeast of Port Hedland, and 100 kilometres from Marble Bar, during the quarter. The high grade gold systems, from which 5,247 ounces of gold have been produced at the very high recovered grade of 30.0g/t Au, were inspected and location of previous mainly shallow drilling was evaluated.

North of the main gold producing area, a rockchip sample collected in 2007 returned 2.95g/t Au, 0.75% Cu, 0.63% Pb and 38g/t Ag from a shallow pit. The base metal potential of the project area has not been explored in detail, and GTI will include evaluation of possible copper-lead-zinc mineralisation in its ongoing targeting.

It is planned to conduct multi-element analyses of the 89 rockchip samples collected in 2007 by Cortona Resources, to determine potential elemental associations and alteration haloes. These results, together with regional mapping, will be used to assist with design of a detailed rockchip sampling programme.

**Murray McDonald**  
**Executive Chairman**

**Competent Person:** *The contents of this report that relate to geology and exploration results are based on information compiled by consulting geologist Ian Cowden of Iana Pty Ltd, who is a Fellow of the Australasian Institute of Mining and Metallurgy, a Chartered Professional Geologist and a Member of the Australian Institute of Geoscientists. He has sufficient experience relevant to the styles of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a "Competent Person", as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Ian Cowden consents to the inclusion in this report of the matters compiled by him in the form and context in which they appear.*