

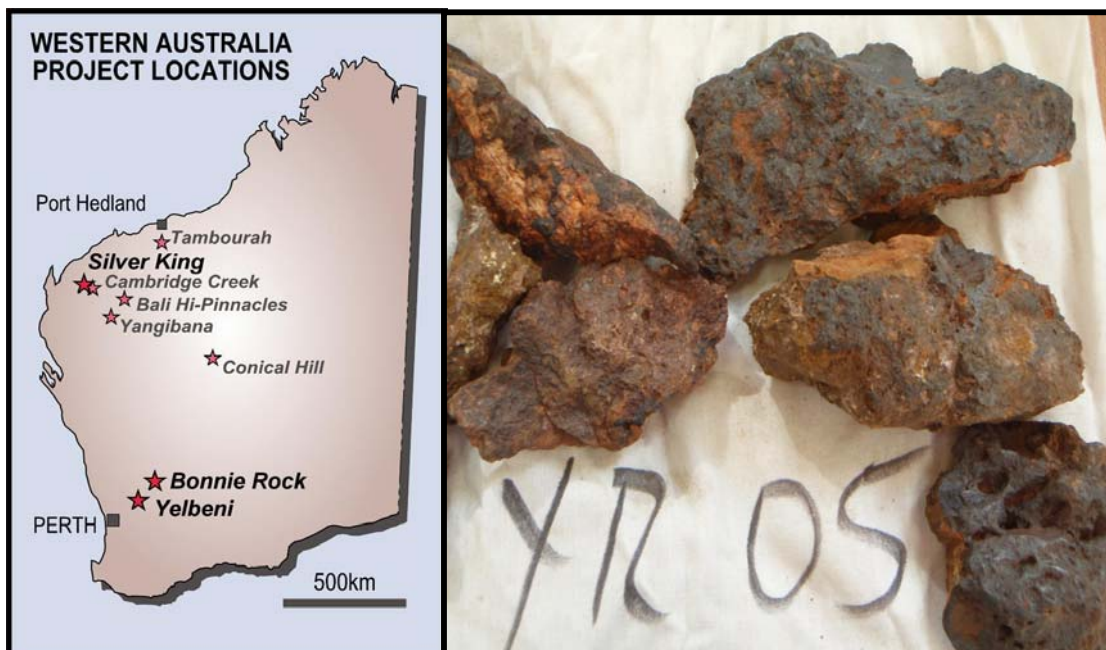
ACTIVITIES REPORT, SEPTEMBER QUARTER 2008

- **High Grade Rare Earth Values Confirmed at Yangibana**
- **Increased Focus on Advanced Project Acquisition**
- **\$2.64 Million Cash at End of Quarter**

GTI has continued to explore its current Western Australian projects, which are considered prospective for gold, silver, base metals, REE (rare earth elements) and uranium. Field programmes were carried out at Bali Hi and Tambourah during the reporting period, and further work is planned for Cambridge Creek, Yangibana and Conical Hill in the current quarter.

In addition, the Company has increased its efforts in reviewing and identifying suitable significant opportunities for future growth. The majority of these advanced projects which have been evaluated are internationally located, and this strategy will continue to be actively pursued notwithstanding the current global uncertainties particularly in respect of commodity prices.

At Yangibana, results have been received from sampling along the extensive strike length of outcropping gossans. Sample YR05 (pictured below) recorded a maximum of **19.44% TREO** (total rare earth oxides) from Yangibana North, confirming and upgrading historical results.

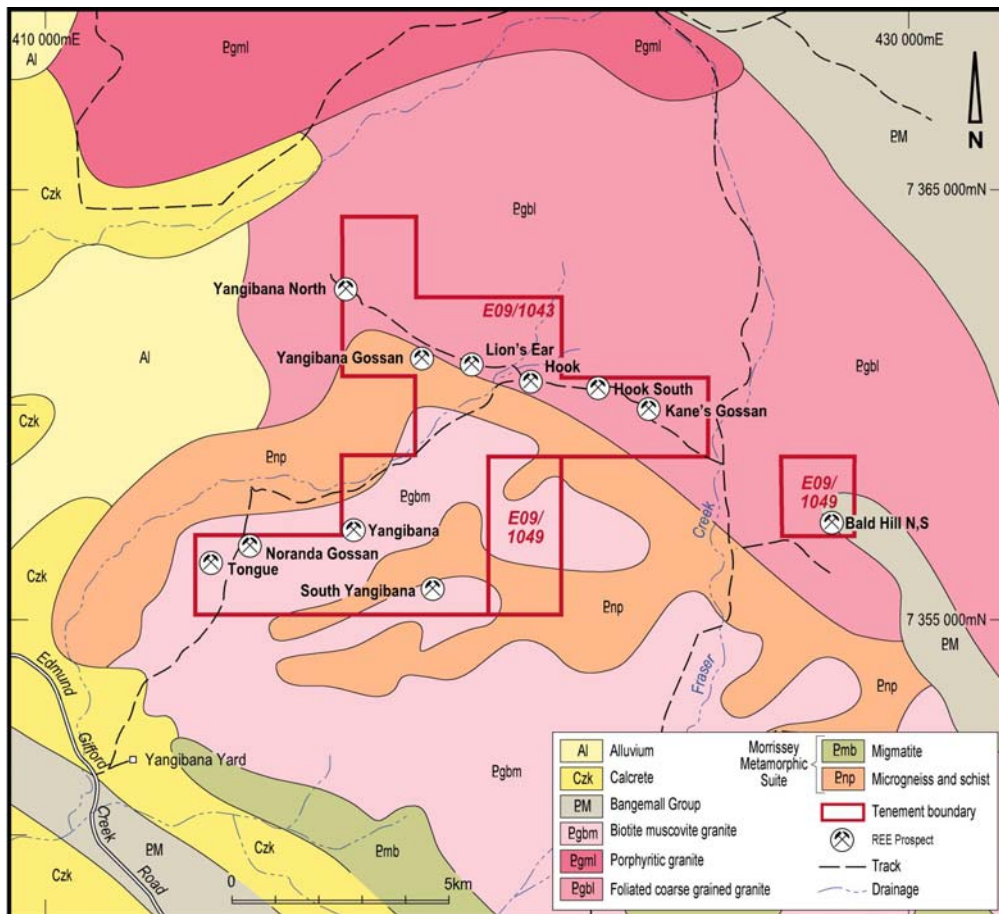


Yangibana (Uranium - Rare Earths, GTI 100%)

Sampling along extensive strike lengths of the main gossan zones at four prospects within GTI's Yangibana project, 260km northeast of Carnarvon in Western Australia, was carried out during the previous quarter. The gossans are developed at surface over a series of interpreted carbonatite dykes developed within granitic basement.

Laboratory results from a total of 56 rock samples, representative of these outcropping gossans, have now been received and are being evaluated by the Company's consulting geologist. Initial interpretations are set out below and results are given in Tables 1-4.

Average values for the samples, representing nearly 2 kilometres of strike length from 4 separate prospects, are considered very encouraging at **2.84% TREO, 2,234ppm Pb (lead)** and **1,811ppm Zn** (zinc). As a guide, the geologically similar Nolans deposit in the Northern Territory, on which Arafura Resources Ltd is conducting a feasibility study, has a reported average grade of 3.1% TREO.



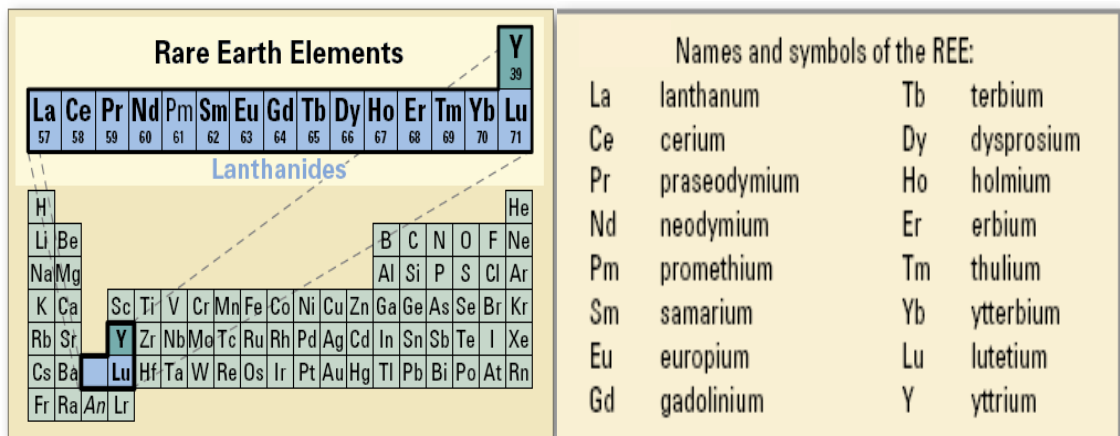
At Yangibana North, 22 samples were collected over 650m of strike length with maximum values of **19.44% TREO, 1,021ppm Pb** and **1,513ppm Zn**. True width of the gossans varies up to 6m (estimated), and average TREO content sampled was **3.88%**.

Ten samples from 300m of strike length at the Yangibana prospect recorded up to **5.12% TREO**, **14,217ppm Pb (1.42%)** and **2,817ppm Zn**.

Nine samples at Kanes Gossan, from 450m strike length, averaged **3.22% TREO** and reached up to **16.21% TREO** and **28,515ppm Pb (2.85%)** but returned only low anomalous zinc values.

At Yangibana South, 15 samples over 400m strike length returned maximum values of **7.26% TREO**, **8,083ppm Pb** and **3,957ppm Zn** together with **20.7ppm Ag (silver)**.

Each of the prospects sampled shows significant elevated contents of total rare earth oxides in the gossan samples. Relative proportion of the rare earth elements varies from prospect to prospect, and this distribution is currently being evaluated. Current REE prices vary from \$13.90/kg (Ce metal, 99% min, FOB China) to \$1,328.00/kg (Tb metal, 99% min, FOB China) at an exchange rate of A\$1 = US\$0.64.



Baseline scintillometer surveys were also carried out in conjunction with the gossan sampling. Analytical results show that most of the surface radioactivity is due to thorium with up to 6,316ppm Th recorded at Yangibana South. Uranium levels were only weakly anomalous, with a maximum of 85ppm U₃O₈ at Yangibana. The higher uranium levels reported from sampling in 1988 by a previous explorer were not confirmed by this recent programme, and reasons for this apparent discrepancy are being investigated.

A Programme of Work for drilling of targets on E09/1043 has been approved by the Department of Industry and Resources, but the necessary heritage surveys have yet to be conducted. The planned drilling programme will be re-evaluated, following detailed assessment of sample results by the Company's consulting geologist.

Yangibana North Gossan Sampling Results**Table 1**

| Sample No | Easting | Northing | TREO | Pb ppm | Zn ppm |
|-----------|---------|----------|--------|--------|--------|
| YR01 | 417690 | 7362190 | 0.31% | 17 | 459 |
| YR02 | 417690 | 7362200 | 0.05% | 11 | 393 |
| YR03 | 417690 | 7362220 | 0.20% | 21 | 430 |
| YR04 | 417640 | 7362220 | 2.54% | 135 | 391 |
| YR05 | 417640 | 7362225 | 19.44% | 198 | 437 |
| YR06 | 417600 | 7362245 | 10.53% | 496 | 539 |
| YR07 | 417585 | 7362255 | 5.06% | 314 | 530 |
| YR08 | 417550 | 7362280 | 4.68% | 150 | 1219 |
| YR09 | 417535 | 7362275 | 0.77% | 60 | 1101 |
| YR10 | 417515 | 7362280 | 2.34% | 116 | 1790 |
| YR11 | 417470 | 7362270 | 0.34% | 36 | 1159 |
| YR12 | 417470 | 7362305 | 2.34% | 211 | 4189 |
| YR13 | 417450 | 7362330 | 0.73% | 144 | 3590 |
| YR14 | 417380 | 7362355 | 3.59% | 94 | 2942 |
| YR15 | 417340 | 7362390 | 2.83% | 248 | 2714 |
| YR16 | 417340 | 7362400 | 2.53% | 142 | 2370 |
| YR17 | 417280 | 7362405 | 8.27% | 186 | 866 |
| YR18 | 417280 | 7362410 | 2.10% | 86 | 906 |
| YR19 | 417280 | 7362420 | 9.29% | 269 | 1836 |
| YR20 | 417240 | 7362445 | 1.35% | 1021 | 1992 |
| YR21 | 417200 | 7362480 | 4.10% | 134 | 1513 |
| YR22 | 417155 | 7362545 | 1.92% | 107 | 1006 |

Yangibana Gossan Sampling Results**Table 2**

| Sample No | Easting | Northing | TREO | Pb ppm | Zn ppm |
|-----------|---------|----------|-------|--------|--------|
| YR23 | 417345 | 7356965 | 2.09% | 3831 | 2379 |
| YR24 | 417325 | 7356955 | 1.16% | 9407 | 2512 |
| YR25 | 417290 | 7356925 | 0.12% | 1218 | 2817 |
| YR26 | 417280 | 7356925 | 5.12% | 8506 | 1853 |
| YR27 | 417230 | 7356910 | 1.44% | 4045 | 2940 |
| YR28 | 417215 | 7356900 | 1.07% | 14217 | 2304 |
| YR29 | 417200 | 7356870 | 0.18% | 1663 | 2795 |
| YR30 | 417170 | 7356865 | 2.00% | 5003 | 2563 |
| YR31 | 417125 | 7356825 | 0.61% | 6508 | 2739 |
| YR32 | 417080 | 7356825 | 1.26% | 2019 | 2294 |

Kanes Gossan Sampling Results**Table 3**

| Sample No | Easting | Northing | TREO | Pb ppm | Zn ppm |
|-----------|---------|----------|-------|--------|--------|
| YR33 | 417345 | 7356965 | 2.09% | 3831 | 2379 |
| YR34 | 417325 | 7356955 | 1.16% | 9407 | 2512 |
| YR35 | 417290 | 7356925 | 0.12% | 1218 | 2817 |
| YR36 | 417280 | 7356925 | 5.12% | 8506 | 1853 |
| YR37 | 417230 | 7356910 | 1.44% | 4045 | 2940 |
| YR38 | 417215 | 7356900 | 1.07% | 14217 | 2304 |
| YR39 | 417200 | 7356870 | 0.18% | 1663 | 2795 |
| YR40 | 417170 | 7356865 | 2.00% | 5003 | 2563 |
| YR41 | 417125 | 7356825 | 0.61% | 6508 | 2739 |

Yangibana South Gossan Sampling Results**Table 4**

| Sample No | Easting | Northing | TREO | Pb ppm | Zn ppm |
|-----------|---------|----------|-------|--------|--------|
| YR42 | 418550 | 7355240 | 0.94% | 759 | 3957 |
| YR43 | 418555 | 7355255 | 4.17% | 7019 | 2629 |
| YR44 | 418550 | 7355260 | 0.47% | 1885 | 3064 |
| YR45 | 418565 | 7355270 | 1.51% | 2279 | 3130 |
| YR46 | 418580 | 7355255 | 3.78% | 1205 | 1578 |
| YR47 | 418575 | 7355300 | 0.87% | 1110 | 3760 |
| YR48 | 418580 | 7355315 | 1.86% | 1813 | 2521 |
| YR49 | 418610 | 7355330 | 1.01% | 1969 | 3356 |
| YR50 | 418625 | 7355340 | 1.41% | 682 | 2562 |
| YR51 | 418655 | 7355360 | 1.93% | 628 | 3562 |
| YR52 | 418745 | 7355435 | 1.01% | 942 | 2419 |
| YR53 | 418760 | 7355455 | 0.51% | 2204 | 2378 |
| YR54 | 418780 | 7355470 | 7.26% | 8083 | 1763 |
| YR55 | 418800 | 7355480 | 1.92% | 833 | 1937 |
| YR56 | 418840 | 7355505 | 0.85% | 1479 | 984 |

Co-ordinates are all GDA94/MGA Zone 50

TREO = total rare earth oxides (15) including Y but excluding Pm

Analyses by Genalysis Laboratories; methods B/AAS, A/MS, DX/OES, A/AAS

Chemical conversion factors applied to rare earth results, for reporting as oxides

Tambourah (Gold - Base Metals, GTI 90%)

Exploration continued with detailed ground follow-up of the recent 512 sample programme of soil sampling, targeting both gold and volcanogenic massive sulphide (VMS) base metal mineralisation in the main project area, north and eastward from the historic high-grade gold workings along the western sector.

Anomalous gold values to 222ppb Au, with up to 432ppm copper and 180ppm zinc, were returned in the soil sampling programme. Detailed follow-up mapping and evaluation by GTI's consulting geologist showed that the sources of these anomalies was restricted to narrow, thin quartz veins of limited extent and lacking any associated significant alteration.

Field investigation of a number of aeromagnetic anomalies and targets generated from geophysical data reprocessing also did not reveal any significant alteration systems or favourable structural settings.

Cambridge Creek (Uranium, GTI 100%)

Cambridge Creek lies within the Gascoyne Complex of high grade metasedimentary rocks, orthogneiss and granitoids near the western margin of the Capricorn Orogen, about 180 kilometres southeast from Exmouth.

Uranium mineralisation in intrusive pegmatite deposits and shear hosted hydrothermal and unconformity-style deposits are being targeted within the project area.

Fieldwork is planned during the December quarter, comprising validation and ground location of geophysical and remote sensing targets generated to date.

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

Exploration during August 2008 comprised field validation of base metal and uranium targets identified from GIS compilation of historical data.

Previous significant results include 4,273ppm U_3O_8 (0.43%) and 2,906ppm U_3O_8 (0.29%) with 4.2% Cu and 20.1% Cu respectively, at the Bali Lo prospect.

Detailed field examination by GTI's consulting geologist concluded that known occurrences and potential targets are of limited size, which restricts their economic potential. The uranium mineralisation, previously reported to be of unconformity style, has been reinterpreted as isolated surficial enrichment within a narrow shear zone.

A compulsory partial surrender of half the exploration licence area was lodged in September, with the main areas of known mineralisation retained in the remaining two blocks.

Conical Hill (Uranium, GTI 100%)

At Conical Hill, calcrete-hosted uranium mineralisation within palaeochannels is the main target. Gold and base metal potential has also been recognised by GSWA, although only lightly explored by previous companies.

No fieldwork was completed during the reporting period. Several anomalous target areas and zones of potential calcrete development have been identified for ground follow-up, from reviews of airborne radiometric and magnetic surveys and remote sensing data.

Exploration licence application E69/2400 was withdrawn, and the area has been retained under a later application which covers a larger area.

Silver King (Silver-Base Metals, GTI 100%)

GTI's exploration licence application near Uaroo includes the historic high grade Silver King/Silver Star/Rainbow mines, about 30 kilometres northwest from GTI's Cambridge Creek property and close to the Great Northern Highway. Recorded historical production was 38,927oz silver and 3,440t of lead concentrate averaging 61.1% Pb, from 1901 – 1953. Significant gold and copper values have also been reported by previous explorers from within this project area.

Fieldwork will commence once title has been granted. Evaluation of existing technical data is continuing, in preparation for this exploration work.

Yelbeni & Bonnie Rock (Uranium, GTI 100%)

The tenements are still in application status, and no field work has been undertaken. Compilation of previous results has been completed, and a review of target potential was nearing completion at the end of the reporting period.

**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.*