



**ABN 33 124 792 132**

**Financial statements for the half-year ended  
30 June 2009**

## Corporate directory

### Board of Directors

Mr Murray McDonald	Executive Director and Chairman
Mr Ian Cowden	Non-Executive Director
Mr Darren Crawte	Non-Executive Director

### Company Secretary

Mr Darren Crawte

### Registered Office

Level 1, 47-49 Stirling Highway  
Broadway Nedlands WA 6009

### Principal Office

13 Colin Street  
West Perth WA 6005

### Auditor

Stantons International  
Level 1, 1 Havelock Street  
West Perth WA 6005

### Share Registry

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

### Stock Exchange Listing

Australian Securities Exchange  
(Home Exchange: Perth, Western Australia)  
Code: GTR

### Website

[www.gtiresources.com.au](http://www.gtiresources.com.au)

## Financial statements for the half-year ended 30 June 2009

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## Directors' report

The Directors of GTI Resources Ltd (**Company**) submit herewith the financial statement for the half-year ended 30 June 2009. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

### Name of directors

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

Murray McDonald	Executive Chairman
Ian Cowden	Non-Executive Director
Darren Crawte	Non-Executive Director

### Review of operations

In response to the continuing economic downturn during 2009, GTI has maintained its focus on identification of advanced projects suitable for participation and growth of the Company and reduced exposure to more grass-roots exploration.

The Company's highly experienced team has evaluated numerous opportunities during the half year. Commodities under consideration include coal, gold, iron ore, uranium, nickel and a range of other minerals, predominantly in overseas locations.

Indonesia continues to be a high priority target destination for GTI due to the numerous world-scale opportunities which are present, reinforced by the renewed interest in Indonesia as a significant mining destination for many major international companies.

The mining industry in Indonesia is very active and growing strongly – over recent years, Kalimantan alone has exported more coal annually than from all Australian coal mines combined.

Although none of the opportunities identified during the period has achieved the required commercial and technical combination sought, a number of less advanced projects have been identified as potentially suitable for adding to the project pipeline, once a key project has been secured.

Commercial and legal discussions have been held, in preparation for setting up of a local subsidiary. As previously reported, in the short term the Company established a presence through a local consulting group, giving access to an expanded network of contacts within the mining sector and a Jakarta base from which to operate. This development builds on contacts and visits made during the past year to both Indonesia and Singapore, including project evaluations.

Although no field work was carried out on the Company's Western Australian projects during the period, evaluation and exploration planning continued albeit at a reduced level.

The Company's current cash position reflects the prudent expenditure strategies adopted by the Board since listing on ASX and reviewed on a regular basis.

**Auditor's independence declaration**

The auditor's independence declaration is included on page 3 and forms part of the Directors' report for the half year ended 30 June 2009.

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

On behalf of the Directors



**Murray McDonald**  
**Executive Chairman**  
Perth, 29 July 2009

**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.*

## Independence declaration

*[Insert auditors' independence declaration]*

**Independent review report  
to the members of GTI Resources Ltd**



## Directors' declaration

The Directors declare that:

- (a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Company.

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

On behalf of the Directors



**Murray McDonald**  
**Executive Chairman**  
Perth, 29 July 2009

## Condensed statement of comprehensive income for the half-year ended 30 June 2009

	Note	30 June 2009 \$	30 June 2008 \$
Revenue	2	59,112	110,673
Employee benefits expense		(138,217)	(143,126)
Exploration expenditure expensed as incurred		(41,217)	(245,870)
Project generation expenditure		(231,601)	(138,232)
Administration expenses	3	(66,381)	(62,381)
Corporate expenses		(42,653)	(47,724)
Occupancy expenses		(33,205)	(30,705)
Depreciation and amortisation		(6,945)	(6,891)
Share based payments expense		(4,923)	(326)
<b>Loss before income tax expense</b>		<b>(506,030)</b>	<b>(564,582)</b>
Income tax expense		-	-
<b>Loss for the period</b>		<b>(506,030)</b>	<b>(564,582)</b>
<b>Other comprehensive income</b>			
Net gain/(loss) on revaluation of available for sale finance assets at fair value		21,500	(6,000)
<b>Total comprehensive loss for the period</b>		<b>(484,530)</b>	<b>(570,582)</b>
<b>Loss per share:</b>			
Basic and diluted (cents per share)		(1.45)	(1.61)

The accompanying notes form part of these financial statements.

## Condensed statement of financial position as at 30 June 2009

	<u>Note</u>	30 June 2009 \$	31 Dec 2008 \$
<b>Current assets</b>			
Cash and cash equivalents		2,082,435	2,548,640
Trade and other receivables		21,997	47,023
Other financial assets		19,500	8,000
<b>Total current assets</b>		<b>2,123,932</b>	<b>2,603,663</b>
<b>Non-current assets</b>			
Property, plant and equipment		36,413	43,061
Exploration, evaluation and development		534,867	534,867
<b>Total non-current assets</b>		<b>571,280</b>	<b>577,928</b>
<b>Total assets</b>		<b>2,695,212</b>	<b>3,181,591</b>
<b>Current liabilities</b>			
Trade and other payables		81,505	87,741
Provisions		46,736	37,436
<b>Total current liabilities</b>		<b>128,241</b>	<b>125,177</b>
<b>Total liabilities</b>		<b>128,241</b>	<b>125,177</b>
<b>Net assets</b>		<b>2,566,971</b>	<b>3,056,414</b>
<b>Equity</b>			
Issued capital	4	4,509,720	4,519,556
Reserves		395,809	369,386
Accumulated losses		(2,338,558)	(1,832,528)
<b>Total equity</b>		<b>2,566,971</b>	<b>3,056,414</b>

The accompanying notes form part of these financial statements.

## Condensed statement of changes in equity for the half year ended 30 June 2009

	Attributable to Owners					Total equity \$
	Ordinary shares \$	Equity-settled employee benefits reserve \$	Equity-settled share based payments reserve \$	Investment revaluation reserve \$	Accumulated losses \$	
<b>Balance at 1 January 2008</b>	4,519,556	339,456	53,600	-	(715,898)	4,196,714
Total comprehensive loss for the period	-	-	-	(6,000)	(564,582)	(570,582)
<b>Subtotal</b>	-	-	-	-	<b>(1,280,480)</b>	<b>3,626,132</b>
Recognition of share-based payments	-	326	-	-	-	326
<b>Balance at 30 June 2008</b>	<b>4,519,556</b>	<b>339,782</b>	<b>53,600</b>	<b>(6,000)</b>	<b>(1,280,480)</b>	<b>3,626,458</b>
<b>Balance at 1 January 2009</b>	4,519,556	344,786	53,600	(29,000)	(1,832,528)	3,056,414
Total comprehensive loss for the period	-	-	-	21,500	(506,030)	(484,530)
<b>Subtotal</b>	-	-	-	-	<b>(2,338,558)</b>	<b>(2,571,884)</b>
Recognition of share-based payments	-	4,923	-	-	-	4,923
Share issue expenses	(9,836)	-	-	-	-	(9,836)
<b>Balance at 30 June 2009</b>	<b>4,509,720</b>	<b>349,709</b>	<b>53,600</b>	<b>(7,500)</b>	<b>(2,338,558)</b>	<b>2,566,971</b>

The accompanying notes form part of these financial statements.

## Condensed statement of cash flows for the half-year ended 30 June 2009

	30 June 2009 \$	30 June 2008 \$
<b>Cash flows from operating activities</b>		
Interest received	59,806	110,673
Payments to suppliers, employees and for exploration activities	(543,199)	(556,900)
Net cash used in operating activities	<b>(483,393)</b>	<b>(446,227)</b>
<b>Cash flows from investing activities</b>		
Payment for property, plant and equipment	(297)	(22,652)
Payment for financial assets	-	(17,000)
Proceeds from the sale of financial assets	17,485	46,694
Net cash provided by investing activities	<b>17,188</b>	<b>7,042</b>
<b>Cash flows from financing activities</b>	-	-
<b>Net decrease in cash and cash equivalents</b>	<b>(466,205)</b>	<b>(439,185)</b>
<b>Cash and cash equivalents at the beginning of the half-year</b>	<b>2,548,640</b>	<b>3,403,609</b>
<b>Cash and cash equivalents at the end of the half-year</b>	<b>2,082,435</b>	<b>2,964,424</b>

The accompanying notes form part of these financial statements.

## Notes to the condensed financial statements for the half-year ended 30 June 2009

### 1. Accounting policies

#### Statement of compliance

The financial statements for the interim half-year reporting period ended 30 June 2009 are a general purpose financial statement prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes comply with International Financial Reporting Standards ('IFRS').

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

It is recommended that this financial statement be read in conjunction with the annual financial statement for the year ended 31 December 2008 and any public announcements made by GTI Resources Ltd during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

#### Basis of preparation

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

The accounting policies and methods of computation adopted in the preparation of the half-year financial statement are consistent with those adopted and disclosed in the Company's most recent annual financial statement except for the adoption of the following new and revised Accounting Standards.

#### Adoption of new and revised accounting standards

The Company has adopted all new and revised Australian Accounting Standards issued by the AASB which are mandatory to apply to the current interim period. Disclosures required by these Standards that are deemed material have been included in this financial statement on the basis that they represent a significant change in information from that previously made available and are detailed below.

#### *Presentation of Financial Statements*

AASB 101 prescribes the contents and structure of financial statements. Changes reflected in this financial report include:

- the replacement of Income Statement with Statement of Comprehensive Income. Items of income and expense not recognised in profit or loss are now disclosed as components of 'other comprehensive income'. In this regard, such items are no longer reflected as equity movements in the Statement of Changes in Equity;
- the adoption of the single statement approach to the presentation of the Statement of Comprehensive Income; and
- other financial statements are renamed in accordance with the Standard.

New and revised Standards and Interpretations issued but not yet applicable are not expected to have a significant impact on the financial position or performance of the Company.

#### Significant accounting judgements and key estimates

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

In preparing this half-year financial statement, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation were the same as those that applied to the financial statement for the year ended 31 December 2008.

**2. Revenue**

	2009 \$	2008 \$
Interest revenue	51,627	110,673
Gain on sale of available for sale financial assets, net of transaction costs	7,485	-
<b>Total</b>	<b>59,112</b>	<b>110,673</b>

**3. Expenses**

The following expense items are relevant in explaining the financial performance for the half-year:

Loss on the sale of available for sale financial assets	-	3,306
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**4. Issued capital**

	30 June 2009	
	No.	\$
<b>Fully paid ordinary shares</b>		
Balance at 1 January 2009	35,000,003	4,519,556
Share issue costs	-	(9,836)
<b>Balance at 30 June 2009</b>	<b>35,000,003</b>	<b>4,509,720</b>

**5. Segment information**

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

**6. Contingent liabilities**

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

**7. Related parties**

Arrangements with related parties continue to be in place. For details of these arrangements, please refer to the 31 December 2008 annual financial report.

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

**8. Subsidiaries**

The Company has a 100% interest in GTI (Australia) Pty Ltd, a company incorporated in Australia with share capital of \$1.00. GTI (Australia) Pty Ltd has been dormant since incorporation. As the subsidiary has no material assets or liabilities, consolidated financial statements have not been prepared.

**9. Events subsequent to reporting date**

No material subsequent events have occurred between 1 July 2009 and the date of this report.