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**GTI** RESOURCES LTD

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ABN 33 124 792 132

**Financial Statements for the Half-Year ended  
30 June 2016**

## Corporate directory

### Board of Directors

Mr Murray McDonald

Executive Director and Chairman

Ms Emma Gilbert

Executive Director

Mr Yohanes Sucipto

Non-Executive Director

### Company Secretary

Mr Frank Campagna

### Registered Office

A1, 118 Railway Street  
WEST PERTH WA 6005

### Principal Office

Level 3/ 1060 Hay Street  
WEST PERTH WA 6005

Telephone: +61 8 9215 0400

Facsimile: +61 8 9321 3628

### Auditor

Stantons International Audit & Consulting Pty Ltd

Level 2

1 Walker Avenue

WEST PERTH WA 6005

Telephone: +61 8 9481 3188

Facsimile: +61 8 9321 1204

### Share Registry

Advanced Share Registry Services Pty Ltd

110 Stirling Highway

Nedlands WA 6009

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### Stock Exchange Listing

ASX Ltd

Level 40, Central Park

152 – 158 St Georges Terrace

PERTH WA 6000

ASX Code: GTR

### Website

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

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## Contents

	<b>Page</b>
Directors' report	1
Auditor's independence declaration	3
Independent auditor's review report	4
Directors' declaration	6
Condensed statement of profit or loss and other comprehensive income	7
Condensed statement of financial position	8
Condensed statement of changes in equity	9
Condensed statement of cash flows	10
Notes to the condensed financial statements	11

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## Directors' report

The Directors of GTI Resources Ltd (**Company**) submit herewith the financial statements for the half-year ended 30 June 2016. 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:

Mr Murray McDonald	Executive Chairman
Ms Emma Gilbert	Executive Director
Mr Yohanes Suctpto	Non-Executive Director

### **Review of operations**

During 2016 the board has concentrated on West Australian mining assets.

Currently the board is in preliminary discussions with interested parties relating to the acquisition of potential mining assets together with the recapitalization of the Company, staying as a mining company, so as to advance mining interests in Western Australia.

During the period under review on advice from the geological team Licence E08/2381, E08/2446 and E08/2447 were sold and granted exploration Licences E40/342 (the Niagara Project) and E51/1556 were acquired with planning and evaluation in progress.

Shareholders will be informed if negotiations on any potential project advance past the preliminary phase.

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**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 2016.

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, 9 September 2016

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9 September 2016

Board of Directors  
GTI Resources Limited  
97 Outram Street  
WEST PERTH WA 6005

Dear Directors

**RE: GTI RESOURCES LIMITED**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of GTI Resources Limited.

As Audit Director for the review of the financial statements of GTI Resources Limited for the half year ended 30 June 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**  
**(Trading as Stantons International)**  
**(An Authorised Audit Company)**



**Samir Tirodkar**  
**Director**

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**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF  
GTI RESOURCES LIMITED**

**Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of GTI Resources Limited, which comprises the condensed statement of financial position as at 30 June 2016, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity, and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

*Directors' Responsibility for the Half-Year Financial Report*

The directors of GTI Resources Limited are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standards on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 30 June 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of GTI Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

*Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of GTI Resources Limited on 9 September 2016.

*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of GTI Resources Limited is not in accordance with the *Corporations Act 2001* including:

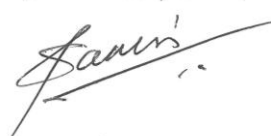
- (a) giving a true and fair view of the Company's financial position as at 30 June 2016 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standards AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

*Inherent Uncertainty Regarding Going Concern*

Without qualification to the opinion expressed above, attention is drawn to the following matters:

As referred to in Note 1 to the financial statements, the financial statements have been prepared on the going concern basis. At 30 June 2016 the entity had working capital deficit of \$670,144 and had incurred a loss for the half year of \$189,822. The ability of the entity to continue as a going concern is subject to the successful recapitalisation of the Company. In the event that the Board is not successful in recapitalising the Company and in raising further funds, the entity may not be able to continue in its present form, realise its assets at their carrying value and may not be able to meet its planned commitments.

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**  
**(Trading as Stantons International)**  
**(An Authorised Audit Company)**

*Stantons International Audit and Consulting Pty Ltd*  


**Samir Tirodkar**  
Director

West Perth, Western Australia  
9 September 2016



## 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 Standard AASB 134: Interim Financial Reporting and giving a true and fair view of the financial position and performance of the Company for the period ended 30 June 2016.

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, 9 September 2016

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## Condensed statement of profit or loss and other comprehensive income for the half-year ended 30 June 2016

	Note	30 June 2016 \$	30 June 2015 \$
Revenue	2	29,545	150,000
Employee benefits expense		(166,223)	(161,846)
Exploration expenditure expensed as incurred		(13,321)	(60,544)
Project generation expenditure		-	(22,921)
Administration and finance expenses	3	(10,057)	(15,619)
Corporate expenses		(27,287)	(35,580)
Occupancy expenses		(2,409)	(12,393)
Impairment of available for sale assets		(70)	(21,499)
<b>Loss before income tax expense</b>		<b>(189,822)</b>	<b>(180,402)</b>
Income tax expense		-	-
<b>Loss for the period</b>		<b>(189,822)</b>	<b>(180,402)</b>
<b>Other comprehensive income/(loss) for the period</b>			
<b>Items that will not be classified to profit or loss</b>		-	-
<b>Items that may be subsequently reclassified to profit or loss</b>			
Transfer investment asset revaluation reserve to profit and loss on impairment of available for sale assets		-	15,099
Net change in fair value of available for sale financial assets		-	-
<b>Total other comprehensive income/(loss) for the period</b>		<b>-</b>	<b>15,099</b>
<b>Total comprehensive loss for the period</b>		<b>(189,822)</b>	<b>(165,303)</b>
<b>Loss attributable to members of GTI Resources Ltd</b>		<b>(189,822)</b>	<b>(180,402)</b>
<b>Total comprehensive loss attributable to members of GTI Resources Ltd</b>		<b>(189,822)</b>	<b>(165,303)</b>
<b>Loss per share:</b>			
Basic and diluted (cents per share)		(0.29)	(0.31)

The accompanying notes form part of these financial statements.

## Condensed statement of financial position as at 30 June 2016

	Note	30 June 2016 \$	31 Dec 2015 \$
<b>Current assets</b>			
Cash and cash equivalents		15,749	13,006
Trade and other receivables		1,175	4,139
<b>Total current assets</b>		<b>16,924</b>	<b>17,145</b>
<b>Non-current assets</b>			
Property, plant and equipment		2,026	2,321
Exploration, evaluation and development		20,000	20,000
Other financial assets		4,181	4,252
<b>Total non-current assets</b>		<b>26,207</b>	<b>26,573</b>
<b>Total assets</b>		<b>43,131</b>	<b>43,718</b>
<b>Current liabilities</b>			
Trade and other payables	8	439,054	296,625
Director unsecured loan	7	133,464	103,107
Provisions		114,550	100,295
<b>Total current liabilities</b>		<b>687,068</b>	<b>500,027</b>
<b>Non-current liabilities</b>			
Provisions		39,898	37,704
<b>Total non-current liabilities</b>		<b>39,898</b>	<b>37,704</b>
<b>Total liabilities</b>		<b>726,966</b>	<b>537,731</b>
<b>Net assets/ (liabilities)</b>		<b>(683,835)</b>	<b>(494,013)</b>
<b>Equity</b>			
Issued capital	4	5,577,592	5,577,592
Reserves		210,036	210,036
Accumulated losses		(6,471,463)	(6,281,641)
<b>Total Equity/ (Deficiency)</b>		<b>(683,835)</b>	<b>(494,013)</b>

The accompanying notes form part of these financial statements.

## Condensed statement of changes in equity for the half year ended 30 June 2016

	Attributable to Owners					Total equity \$
	Ordinary shares \$	Shares to be issued \$	Equity-settled employee benefits reserve \$	Investment revaluation reserve \$	Accumulated losses \$	
<b>Balance at 1 January 2015</b>	<b>5,337,592</b>	<b>40,000</b>	<b>210,036</b>	<b>(15,099)</b>	<b>(5,948,066)</b>	<b>(375,537)</b>
Loss for the period	-	-	-	-	(180,402)	(180,402)
<b>Other comprehensive income</b>						
Net change in fair value of available for sale financial assets	-	-	-	-	-	-
Transfer to profit and loss on impairment	-	-	-	15,099	-	15,099
<b>Total comprehensive loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,099</b>	<b>(180,402)</b>	<b>(165,303)</b>
Ordinary shares issued	200,000	-	-	-	-	200,000
Share placement	40,000	(40,000)	-	-	-	-
Capital raising costs	-	-	-	-	-	-
<b>Balance at 30 June 2015</b>	<b>5,577,592</b>	<b>-</b>	<b>210,036</b>	<b>-</b>	<b>(6,128,468)</b>	<b>(340,840)</b>
<b>Balance at 1 January 2016</b>	<b>5,577,592</b>	<b>-</b>	<b>210,036</b>	<b>-</b>	<b>(6,281,641)</b>	<b>(494,013)</b>
Loss for the period	-	-	-	-	(189,822)	(189,822)
<b>Other comprehensive income</b>						
Net change in fair value of available for sale financial assets	-	-	-	-	-	-
Transfer to profit and loss on impairment	-	-	-	-	-	-
<b>Total comprehensive loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(189,822)</b>	<b>(189,822)</b>
Ordinary shares issued	-	-	-	-	-	-
Share placement	-	-	-	-	-	-
Capital raising costs	-	-	-	-	-	-
<b>Balance at 30 June 2016</b>	<b>5,577,592</b>	<b>-</b>	<b>210,036</b>	<b>-</b>	<b>(6,471,463)</b>	<b>(683,835)</b>

The accompanying notes form part of these financial statements.

## Condensed statement of cash flows for the half-year ended 30 June 2016

	30 June 2016	30 June 2015
	\$	\$
<b>Cash flows from operating activities</b>		
Payments to suppliers, employees and for exploration activities	(57,159)	(109,371)
Net cash from/ (used in) operating activities	<b>(57,159)</b>	<b>(109,371)</b>
<b>Cash flows from investing activities</b>		
Proceeds on disposal of tenements	29,545	-
Other income – sale of royalty rights	-	150,000
Net cash from investing activities	<b>29,545</b>	<b>150,000</b>
<b>Cash flows from financing activities</b>		
Director unsecured loan	30,357	(35,485)
Proceeds from issue of shares	-	-
Share issue costs	-	-
Net cash from/ (used in) financing activities	<b>30,357</b>	<b>(35,485)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>2,743</b>	<b>5,144</b>
<b>Cash and cash equivalents at the beginning of the half-year</b>	<b>13,006</b>	<b>11,970</b>
<b>Cash and cash equivalents at the end of the half-year</b>	<b>15,749</b>	<b>17,114</b>

The accompanying notes form part of these financial statements.

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# Notes to the condensed financial statements for the half-year ended 30 June 2016

## 1. Accounting policies

### Statement of compliance

The financial statements for the interim half-year reporting period ended 30 June 2016 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 statements do 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 statements.

It is recommended that these financial statements be read in conjunction with the annual financial statements for the year ended 31 December 2015 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 statements for the year ended 31 December 2015.

The directors have prepared the financial statements on the basis of going concern, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The directors believe this to be appropriate for the following reasons:

- The Company has cash reserves of \$15,749 at 30 June 2016;
- The Company continues to monitor opportunities to raise further equity from interested investors;
- The Company's Board of Directors has a long history of fund raising in the public and will do so when required. Since 30 June 2016, the Company has raised a further \$126,000 by the issue of 8,400,000 fully paid shares at an issue price of 1.5 cents per shares; and
- The managing director will continue to provide financial support to assist the company in meeting its financial obligations.

Based on the above, the directors are confident that the Company will be able to continue operations as a going concern into the foreseeable future.

### New and Revised Accounting Requirements Applicable to the Current Half Year Reporting Period

For the half-year reporting period to 30 June 2016 the same accounting policies and methods of computation have been followed in the interim financial report as were applied in the most recent annual financial statements. The Company has adopted new and revised Australian Accounting Standards from 1 January 2016 together with consequential amendments to other Standards. The application of these new and revised requirements did not have a material impact on the measurement basis or disclosures in the half-year report.

### 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's financial statements, 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 statements for the year ended 31 December 2015.

## 2. Revenue

### Continuing operations

	30 Jun 2016	30 Jun 2015
	\$	\$
Interest revenue	-	-
Gain on disposal of exploration assets	29,545	-
Other income – sale of royalty rights	-	150,000
<b>Total</b>	<b>29,545</b>	<b>150,000</b>

## 3. Expenses

	30 Jun 2016	30 Jun 2015
	\$	\$
The following expense items are included in the financial performance for the half-year:		
Depreciation	295	427

## 4. Issued Capital

	30 Jun 2016	31 Dec 2015
	\$	\$
64,866,669 fully paid ordinary shares (2015: 64,866,669)	5,577,592	5,577,592

Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the company does not have a limited amount of authorised capital and issued shares do not have a par value.

	30 Jun 2016		31 Dec 2015	
	No.	\$	No.	\$
<b>Fully paid ordinary shares</b>				
Opening balance at the beginning of the financial period	64,866,669	5,577,592	54,866,669	5,337,592
Share placement	-	-	2,000,000	40,000
Ordinary shares issued	-	-	8,000,000	200,000
Share issue costs	-	-	-	-
Closing balance at the end of the financial period	<b>64,866,669</b>	<b>5,577,592</b>	<b>64,866,669</b>	<b>5,577,592</b>

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

### Share options

As at 30 June 2016, the company has no share options on issue (2015 : \$NIL). No options were issued, exercised or lapsed during the period.

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## 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 2015 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.

At 30 June 2016 the Executive Chairman has made an interest-free loan of \$133,464 (31 December 2015: \$103,107). During the six month period \$30,357 were advanced.

## 8. Trade and Other Payables

	30 June 2016	31 Dec 2015
	\$	\$
Trade payables (i)	20,273	19,159
Other payables and accruals (Director Salaries inclusive)	418,781	277,466
	<b>439,054</b>	<b>296,625</b>

## 9. Subsidiaries

The Company has a 100% interest in GTI (Australia) Pty Ltd, a company incorporated in Australia with share capital of \$1.00. The Company also has a 75% interest in PT GTRI Mining, a company incorporated in Indonesia. Both GTI (Australia) Pty Ltd and PT GTRI Mining have been dormant since incorporation. As the subsidiaries have no assets or liabilities, consolidated financial statements have not been prepared.

## 10. Events subsequent to reporting date

Since 30 June 2016, the Company has issued 8,400,000 shares at 1.5 cents per share to raise \$126,000.

No other material subsequent events have occurred between 1 July 2016 and the date of this report.

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