

GTI ENERGY LIMITED
(ACN 124 792 132)

SUPPLEMENTARY PROSPECTUS

IMPORTANT INFORMATION

This is a supplementary prospectus (**Supplementary Prospectus**) which is intended to be read with the prospectus dated 24 July 2024 (**Prospectus**) issued by GTI Energy Limited (ACN 124 792 132) (**Company**).

This Supplementary Prospectus is dated 29 July 2024 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. Neither ASIC nor ASX take any responsibility as to the contents of this Supplementary Prospectus.

This Supplementary Prospectus should be read together with the Prospectus. Other than as set out below, all details in relation to the Prospectus remain unchanged. Terms and abbreviations defined in the Prospectus have the same meaning in this Supplementary Prospectus. If there is a conflict between the Prospectus and this Supplementary Prospectus, this Supplementary Prospectus will prevail.

The Company has issued electronic versions of this Supplementary Prospectus and the Prospectus. Electronic versions may be accessed at www.gtienergy.au.

This Supplementary Prospectus and the Prospectus are important documents that should be read in their entirety. If you are in any doubt as to the contents of this Supplementary Prospectus or the Prospectus, you should consult your stockbroker, lawyer, accountant or other professional adviser without delay.

1. REASONS FOR SUPPLEMENTARY PROSPECTUS

This Supplementary Prospectus has been prepared for the purpose of:

- (a) reducing the issue price of New Shares offered under the Entitlements Issue Offer to \$0.004 per New Share; and
- (b) increasing the issue price of New Options offered under the Priority Option Offer to \$ 0.001.

The changes have been made to comply with Listing Rule 7.11.2 so that the fraction of the issue price of New Shares and New Options complies with the price steps set out under the ASX Operating Rules.

2. AMENDMENTS TO THE PROSPECTUS

2.1 Cover Page Amendments

Paragraph (a) on the cover page of the Prospectus in respect of the Entitlement Issue Offer is deleted and replaced with the below offer:

- (a) *a pro-rata non-renounceable entitlement issue of one (1) New Share for every five (5) existing Shares held by those Shareholders registered at the Record Date at an issue price of **\$0.004** per New Share to raise up to **\$2,039,957.67** (before costs), together with one (1) free attaching listed New Option for every three (3) New Shares subscribed for and issued (**Entitlement Issue Offer**).*

Paragraph (c) on the cover page of the Prospectus in respect of the Priority Option Offer is deleted and replaced with the below offer:

- (c) an offer of one (1) New Option for every four (4) listed GTRO Options owned on the record date at an issue price of **\$0.001** per New Option to raise up to **\$115,596.79 (Priority Option Offer)**, with the issue of New Options under the Priority Option Issue subject to shareholder approval.

2.2 Amendments to Details of the Offers

The Entitlement Issue Offer as detailed in Section 1.1 of the Prospectus is deleted in its entirety and replaced with the below:

1.1 Entitlement Issue Offer

The Company is making a pro-rata non-renounceable entitlement issue comprised of new fully paid ordinary Shares in the capital of the Company (**New Shares**) on the basis of 1 New Share for every 5 existing Shares held at the Record Date, at an issue price of **\$0.004** per New Share, together with 1 free attaching Option (exercisable at \$0.01 and having an expiry of 4 years from the date of issue) (**New Options**) for every 3 New Shares subscribed for and issued. In the calculation of any Entitlement, fractions will be rounded down to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, approximately 509,989,418 New Shares and 169,996,473 New Options will be issued pursuant to the Entitlement Issue Offer to raise approximately **\$2,039,957.67** (before costs). No funds will be raised from the issue of the New Options.

All of the New Shares offered under the Entitlement Issue Offer will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.1 for further information regarding the rights and liabilities attaching to Shares.

The New Options will be exercisable at \$0.01 and expire 4 years from the date of issue, and will otherwise be issued on the terms set out in Section 4.2 of this Prospectus (being the same terms as all other Options offered under this Prospectus). In the event that the Company can satisfy the ASX requirements for quotation of a new class of securities (which includes, among other things, there being a minimum of 100,000 New Options on issue, with at least 50 holders holding a marketable parcel), the Company will seek quotation of the New Options. The Company makes no guarantee that any such application for quotation will be successful.

Details of the purpose and effect of the Entitlement Issue Offer and the proposed use of funds raised are set out in Section 3.

The Entitlement Issue Offer and Priority Option Offer are partially underwritten to \$1,600,000 by CPS (**Underwriter**). Refer to Section 5.4 for a summary of the terms of the Underwriting Agreement.

CPS has been appointed as lead manager to the Entitlement Issue Offer (**Lead Manager**). Refer to Section 5.5 for a summary of the terms of the Lead Manager Mandate.

The Priority Option Offer as detailed in Section 1.3 of the Prospectus is deleted in its entirety and replaced with the below:

1.3 Priority Option Offer

The Priority Option Offer is an offer of up to 115,596,790 New Options at an issue price of **\$0.001** per New Option to Eligible Option holders on the basis of 1 New Option for

every 4 listed GTRO Options held as at the Priority Option Record Date. The issue of New Options under the Priority Option Issue is subject to Shareholder approval.

Assuming the Priority Option Offer is fully subscribed, the Priority Option Offer will raise approximately **\$115,596.79** (before costs).

The purpose of the Priority Option Offer and the intended use of funds raised are set out in Section 3.1 of this Prospectus.

The New Options offered under the Priority Option Offer will be issued on the terms set out in Section 4.2 of this Prospectus (being the same terms as all other New Options offered under this Prospectus). In the event that the Company can satisfy the ASX requirements for quotation of a new class of securities, the Company will seek quotation of the New Options. The Company makes no guarantee that any such application for quotation will be successful.

All of the Shares issued upon the exercise of Priority Options will rank equally with the Shares on issue as at the date of this Prospectus. Refer to Section 4.1 for further information regarding the rights and liabilities attaching to the Shares underlying the Priority Options.

The Priority Options Offer and Entitlement Issue Offer are partially underwritten to \$1,600,000 by CPS. Refer to Section 5.4 for a summary of the terms of the Underwriting Agreement.

In the event that GTRO Option holders do not take up their full entitlements under the Priority Option Offer and there exists a shortfall (that is not underwritten), the Directors reserve the right in their absolute discretion to place such shortfall of Priority Options.

2.3 Amendments to Shortfall Offer

The Shortfall Offer as detailed in Section 1.8(b) of the Prospectus is amended so that the issue price for each New Share to be issued under the Shortfall Offer shall be **\$0.004**.

2.4 Amendments to Purpose and Effect of the Offers

Section 3.1 of the Prospectus is deleted in its entirety and replaced with the below:

3.1 Purpose of the Entitlement Issue Offer and the Priority Option Offer

The purpose of the Entitlement Issue Offer and the Priority Option Offer is to raise up to approximately \$2,155,554.46 (before costs). The funds raised from the Entitlement Issue Offer and the Priority Option Offer are intended to be used in accordance with the table set out below:

| Item | Amount (\$) | Proportion (%) |
|---|--------------------|-----------------------|
| Exploration on the Company's properties | \$1,800,000 | 83.51% |
| Expenses of the Offers ¹ | \$220,846 | 10.25% |
| Working Capital ² | \$134,708.19 | 6.25% |

| | | |
|--------------|----------------|------|
| Total | \$2,155,554.46 | 100% |
|--------------|----------------|------|

Notes:

1. Refer to Section 5.11 of this Prospectus for details regarding the estimated expenses of the Offers.
2. Funds allocated to working capital will be used for future administration expenses of the Company including administration fees, Directors' remuneration and other administration and corporate overheads.

The above table is a statement of current intentions as at the date of this Prospectus. As with any budget, intervening events (such as project and general market risk factors affecting the Company) and new circumstances have the potential to affect the ultimate way funds will be applied. The Directors reserve the right to alter the way funds are applied on this basis.

On completion of the Entitlement Issue Offer and the Priority Option Offer, the Board believes the Company will have sufficient working capital to achieve its stated objectives.

Section 3.5 of the Prospectus is deleted in its entirety and replaced with the below:

3.5 Effect of the Offers

The principal effect of the Offers, assuming all Securities offered under the Prospectus are issued, will be to:

- (a) increase cash reserves by approximately \$2,155,554.46 (not including cash expenses of the Offers) immediately after completion of the Offers;
- (b) increase the number of Shares on issue from 2,549,947,091 as at the date of this Prospectus to 3,059,936,509 Shares; and
- (c) increase the number of Options on issue from 462,387,159 as at the date of this Prospectus to 1,291,310,228 Options.

A summary of all the Shares and Options the Company will have on issue after the Offers is outlined in Section 3.7.

2.5 Amendments to continuous reporting and disclosure obligations

The table set out in Section 5.2 of the Prospectus is amended to include the following Company announcements:

| Date | Title |
|--------------|--|
| 25 July 2024 | Membership Granted to the Uranium Producers of America |
| 24 July 2024 | Rights Entitlement Offers Underwritten to \$1.6M |
| 24 July 2024 | Entitlement Issue Prospectus |
| 24 July 2024 | Proposed issue of securities - GTR |
| 24 July 2024 | Proposed issue of securities - GTR |

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2.6 Amendments to Market Price of Shares

Section 5.3 of the Prospectus is deleted in its entirety and replaced with:

The highest and lowest closing prices of Shares on the ASX during the three (3) months preceding the date of this Prospectus, and the closing price on the trading day before the date of this Prospectus, are set out below.

| | Price | Date |
|---------|---------|--------------|
| Highest | \$0.007 | 29 May 2024 |
| Lowest | \$0.003 | 26 July 2024 |
| Last | \$0.003 | 26 July 2024 |

2.7 Amendments to Section Summarising Underwriting Agreement

Section 5.4 of the Prospectus is amended so that the words 'dated 22 July 2024 (**Underwriting Agreement**)' are replaced with "dated 19 July 2024 (and executed on 22 July 2024), as subsequently amended by variations dated 23 July 2024 and 24 July 2024 (**Underwriting Agreement**)" to reflect that the Company has entered into an amended Underwriting Agreement to acknowledge the change to the Share issue price per New Share under the Entitlement Issue Offer, now being \$0.004, and the change to the Option issue price per New Option under the Priority Option Offer, now being \$0.001. All other terms of the Underwriting Agreement remain unchanged.

2.8 Amendments to Section Summarising Lead Manager Mandate

Section 5.5 of the Prospectus is amended so that the words 'dated 19 July 2024 (**Lead Manager Mandate**)' is replaced with "dated 19 July 2024, as subsequently amended by variations dated 24 July 2024 (**Lead Manager Mandate**)" to reflect that the Company has entered into an amended Lead Manager Mandate to acknowledge the change to the Share price per New Share under the Entitlement Issue Offer (now being \$0.004), to acknowledge the change to the Option issue price per New Option under the Priority Option Offer (now being \$0.001) and to reflect the changes to the totals raised under Entitlement Issue Offer and the Priority Option Offer. All other terms of the Lead Manager Mandate remain unchanged.

2.9 Amendments to Estimated expenses of the Offers

Section 5.11 is deleted in its entirety and replaced with the below:

The estimated cash costs of the Offers (exclusive of GST) are set out below:

| Item | Amount (\$) |
|---|-------------|
| ASIC lodgement fee - Prospectus | \$3,206 |
| ASIC lodgement fee – Supplementary Prospectus | \$802 |
| ASX quotation fee | \$32,505 |

| | |
|--|------------------|
| <i>Lead Manager and Underwriting fees</i> | \$129,333 |
| <i>Legal fees</i> | \$30,000 |
| <i>Printing, registry and other expenses</i> | \$25,000 |
| Total | \$220,846 |

2.10 Amendments to Definitions

The following definitions in Section 7 of the Prospectus are deleted and replaced with the following:

Lead Manager Mandate has the meaning given to it in Section 5.5.

Underwriting Agreement has the meaning given to it in Section 5.4.

2.11 Pro Forma Statement - Annexure A

Annexure A in the Prospectus is deleted in its entirety and replaced with Annexure A in this Supplementary Prospectus.

2.12 Consents

As at the date of this Supplementary Prospectus Each of the parties that have been named in the Prospectus have consented to being named in the Prospectus and the Supplementary Prospectus and have not withdrawn that consent.

2.13 Director's Authorisation

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with the ASIC.



Bruce Lane
Executive Director
For and on behalf of GTI Energy Ltd

ANNEXURE A – PRO-FORMA STATEMENT

| | 31-Dec-23 | Adjustments | Notes | Unaudited |
|----------------------------------|-------------------|--------------------|--------------|-------------------|
| | Audited | \$ | | \$ |
| | \$ | \$ | | \$ |
| Current Assets | | | | |
| Cash & cash equivalents | 2,072,065 | 4,050,085 | 1,2,3 | 6,122,151 |
| Trade & other receivables | 210,382 | - | | 210,382 |
| Other current assets | 28,997 | - | | 28,997 |
| Total current assets | 2,311,444 | 4,050,085 | | 6,361,529 |
| Non-Current Assets | | | | |
| Property, plant & equipment | 355 | - | | 355 |
| Mineral Exp & Eval | 20,594,381 | - | | 20,594,381 |
| Loans, intercompany, investments | 650,000 | - | | 650,000 |
| Total non-current assets | 21,244,736 | - | | 21,244,736 |
| Total assets | 23,556,180 | 4,050,085 | | 27,606,265 |
| Current liabilities | | | | |
| Trade & other payables | 508,057 | - | | 508,057 |
| Provisions | 61,263 | - | | 61,263 |
| Total current liabilities | 569,320 | - | | 569,320 |
| Total liabilities | 569,320 | - | | 569,320 |
| Net assets | 22,986,860 | 4,050,085 | | 27,036,945 |
| Equity | | | | |
| Contributed equity | 33,216,090 | 2,825,801 | 2,3,4 | 36,041,890 |
| Reserve | 4,935,873 | 1,224,285 | 4 | 6,160,158 |
| Accumulated losses | (15,165,103) | - | 1 | (15,165,103) |
| Total equity | 22,986,860 | 4,050,085 | | 27,036,945 |

Notes:

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1. No adjustment has been made for working capital.
 2. Adjustments include the following post-balance date events:
 - a. \$2,039,957 rights issue of 509 million Shares at \$0.004 p/Share with 1 free attaching Option for every 3 Shares (exercisable @ \$0.01, expiring 4yrs) (rights issue)
 - b. Costs of the Offer of \$220,846
 - c. \$2,250,000 via the issue of 500 million Shares at \$0.0045 each (Placement) less 6% capital raising fees paid in cash.
 - d. an offer of one (1) New Option for every four (4) listed GTRO Options owned on the record date at an issue price of \$0.001 per New Option
 3. Assumes full subscription of \$2,039,957 is raised pursuant to the Rights Issue and \$115,596 under the New Options Offer, and costs of the Offer totalling \$220,846
 4. Broker Options have been valued using a Black and Scholes valuation by management.