

Due Diligence and Valuation Report

Arrowhead code:	131-01-03
Coverage initiated:	08-Aug-2022
This document:	30-November-2022
Fair Value Bracket (per share)	A\$ 0.023 to A\$ 0.028
Share Price (29-Nov-2022):	A\$ 0.012

Analyst

Karan Mehta karan.mehta@arrowheadbid.com	Aditya Ahluwalia aditya.ahluwalia@arrowheadbid.com
---	--

Market Data

52-Week Range	A\$ 0.011– A\$ 0.034
90-Day Average Daily Volume:	6,403,213
Market Cap. on date:	A\$ 18.07 million

Company Overview

GTI Energy Ltd ("GTI" or "the Company"), headquartered in Perth, Australia, is an early-stage mining company that engages in exploring, defining, and developing Insitu Recovery ("ISR") amenable uranium resources in Wyoming, USA. ISR recovery is the lowest cost and least environmentally damaging form of uranium mining. This helps GTI's ISR uranium projects to be developed quickly and cost-effectively with low environmental impact.

Key Highlights

- GTI has transitioned from a company with a primary focus on gold exploration to a company with an exclusive focus on uranium exploration. In pursuit of its decision to narrow its focus on uranium exploration, GTI sold the majority stake in the Kookynie Gold Project in Western Australia to Regener8 Resources in June 2022. The proceeds from this sale will be utilized to develop GTI's flagship GDB and Green Mountain assets in Wyoming & potentially acquire more assets in their periphery.
- ISR uranium mining is the lowest cost and least environmentally damaging mining method & is being used at several major sites in Wyoming, where GTI's flagship GDB and Green Mountain assets are located. The Company plans to use this technology at its Wyoming sites as and when they enter production.
- Uranium exploration activity in the US has started to revive in the last 12 months because of the strengthening uranium price, geopolitical concerns around energy security, and the US administration's plan to build a \$1.5 billion uranium reserve over the next 10 years as part of a broader plan to support the US nuclear power industry. The region of Wyoming where GTI's principal assets are located has been at the forefront of this exploration.



Company:	GTI Energy Ltd
Ticker:	ASX: GTR / GTRO OCTQB: GTRIF
Headquarters:	Perth, Australia
US Office:	Riverton, Wyoming
Exec. Directors:	Bruce Lane James Baughman
Website:	www.gtienergy.au

Key Strengths

- Many countries including the US, are building or rebuilding domestic uranium supply chains to safeguard their energy requirements. This is primarily driven by historical under-investment in uranium exploration, fast depletion of major uranium resources of traditional suppliers, COVID-related shutdowns, and geopolitical tensions. GTI with its promising asset portfolio is well placed to benefit from this trend.
- GTI's flagship Wyoming assets lie in the vicinity of major uranium assets of other companies like Ur-Energy's Lost Creek & Lost Soldier, Rio Tinto's Jackpot, and UEC's Antelope deposits, increasing the company's prospects of discovering economically viable mineralization and start production in a few years.
- Wyoming has advanced mining support infrastructure and a historically strong uranium mining ecosystem, including exploration, construction, milling, and logistical support to assist GTI's exploration activities.

Key Risks

The future sustainability of the business model for an early-stage mining and exploration company such as GTI is dependent on finding viable exploration targets and getting positive results from the drilling and feasibility studies. Drilling and exploration activities on all the major assets that the Company currently holds are in the preliminary stages and if the drilling results are positive, it would take a few years for the Company to conduct and release the Preliminary Economic Assessment or the Pre-Feasibility Study on these assets. Not having any proven resource estimates yet is a key risk that the company will have to navigate.

Valuation & Assumptions

Based on its due diligence and valuation estimates, Arrowhead believes that GTI's fair share value lies in the A\$ 0.023 to A\$ 0.028 bracket, which has been calculated using the Comparable Companies Valuation method. The relative valuation provides a fair value of A\$ 0.026.

Table of Contents

Investment Thesis	3
Company Presentation	5
News	12
Listing Information	14
Management and Governance	15
Projects	17
Industry Analysis	21
Risk Profile Analysis	25
Financial Analysis	27
Valuation	30
Analyst Certifications	33
Appendix	34
Notes and References	35

Investment Thesis

Arrowhead is initiating equity research coverage of GTI Energy with the following investment highlights:

Exploration-Stage Mining Company Looking to Capitalize on the Uranium Boom

Since its incorporation in 2007, GTI has transitioned from a company with a primary focus on gold exploration to a company with an exclusive focus on uranium exploration. It is banking on expectations of continued rapid growth in nuclear power production, which will drive uranium demand and significantly improved uranium prices. The global power and energy crisis coupled with the climate response targeting net zero emissions is driving the demand for emissions free energy. Nuclear energy, which is produced using uranium, is a core component of the evolving emissions free energy mix. Traditional uranium suppliers such as Kazakhstan and Canada have in recent years reduced production during a period of growing demand for uranium. This has created a demand-supply mismatch in the market, which has been exacerbated by the COVID-19 outbreak and Russia's invasion of Ukraine. Many countries such as the US, which is the largest consumer of uranium and GTI's primary target market, are building domestic uranium supply chains to safeguard their energy requirements. GTI and other companies with promising assets are well placed to benefit from these trends.

Flagship Assets in the US Uranium Hub of Wyoming

GTI's flagship assets are in Wyoming, the US, and lie in the vicinity of major uranium assets of other mining companies like Ur-Energy's Lost Creek operating ISR mine & Lost Soldier deposit, Rio Tinto's Sweetwater & Jackpot deposits and UEC's Jab & Antelope deposits, increasing GTI's prospects of discovering economically viable mineralization and entering production in a few years. Wyoming is the leading uranium producer contributing 80% of production in the US, with a history of uranium mining dating back to the late 1940's. ISR mining, which is the most technologically advanced uranium mining technique, has been practiced commercially in Wyoming since the mid-1980's. In 2020, the Fraser Institute ranked Wyoming as the 2nd most favorable mining jurisdiction out of 78 globally. There are currently seven operational ISR mining facilities in Wyoming and two more facilities are licensed for construction. Wyoming has advanced mining support infrastructure and a historically thriving uranium mining ecosystem, including exploration, construction, milling, and logistical support to assist GTI's activities.

Liquidating Non-Core Assets to Redeploy Resources to Core Exploration Assets

GTI owned a gold asset in Western Australia from its initial years when it had a core focus on gold exploration. However, in pursuit of its decision to narrow its focus on uranium exploration, GTI sold the majority stake in this asset to "spin out" Regener8 Resources, which got listed on ASX (ASX: R8R) in July 2022. GTI now holds 15.66% of Regener8 Resources and will utilize the proceeds from the sale to develop GTI's flagship GDB and Green Mountain assets in Wyoming and potentially acquire more assets in its periphery. The Company is also looking for assets with the desired level of mineralization in the vicinity of other major players such as Ur-Energy's Lost Creek, UEC's Jab & Antelope, and Rio Tinto's Jackpot etc.

Utah Assets Sequenced to Expedite Exploration Work at Wyoming

ISR uranium mining is the lowest cost and least environmentally damaging technology & is used for mining at several major sites in Wyoming, where GTI's flagship GDB & Green Mountain assets are located. GTI also plans to utilize ISR mining technology where feasible at its Wyoming

sites as and when they enter the production phase. The Company's Utah assets are not considered amenable to the application of this technology and will be sequenced in order to expedite exploration work at the Wyoming assets.

Company Presentation

GTI Energy Ltd (“GTI” or “the Company”), headquartered in Perth, Australia, is an early-stage mining company and engages in exploring, defining, and developing Insitu Recovery (“ISR”) amenable uranium resources in Wyoming, USA. The ISR recovery is the lowest cost and least environmentally damaging form of uranium mining.¹ The technology uses an alkaline or acid solution, injected and extracted using a series of wells to leach underground ores. This method of mining is predominantly used in some of the major uranium mines in the US as well as several major uranium mining hubs, such as Canada, Kazakhstan, and Uzbekistan, and enables GTI to define uranium resources that can potentially be developed quickly and cost effectively with a low environmental impact.

While the demand for uranium has continued to grow in the US and around the world, supply has remained low due to subeconomic uranium prices hence exploration and mining related investment has not kept up with demand. In the US, this can be largely attributed to an indifferent attitude towards making such investments due to the historically abundant supply of cheap uranium from Kazakhstan. However, the present demand growth is expected to continue, and even accelerate, due to the US administration’s commitment to turn to green energy and cut reliance on external energy sources.

GTI is leveraging these tailwinds by investing actively in acquiring and exploring assets in the uranium- rich regions of the US. The Company’s primary focus is on acquiring and exploring assets in the traditional uranium hotbed of Wyoming. The Company also has a uranium asset in Utah. However, it plans to conduct exploration work at an accelerated pace at its Wyoming assets.

Project Portfolio

GTR is primarily focusing on economically viable, ISR amenable uranium resources at its projects in Wyoming’s Great Divide Basin (“GDB”). The most advanced project to date is the Thor Project, holding potentially economically viable mineralization based on widths, grades, and depth of mineralization encountered thus far from drilling. In addition, the Company currently has uranium & vanadium exploration projects in the Henry Mountains, Utah. A brief overview of the Company’s portfolio of exploration projects is as follows:

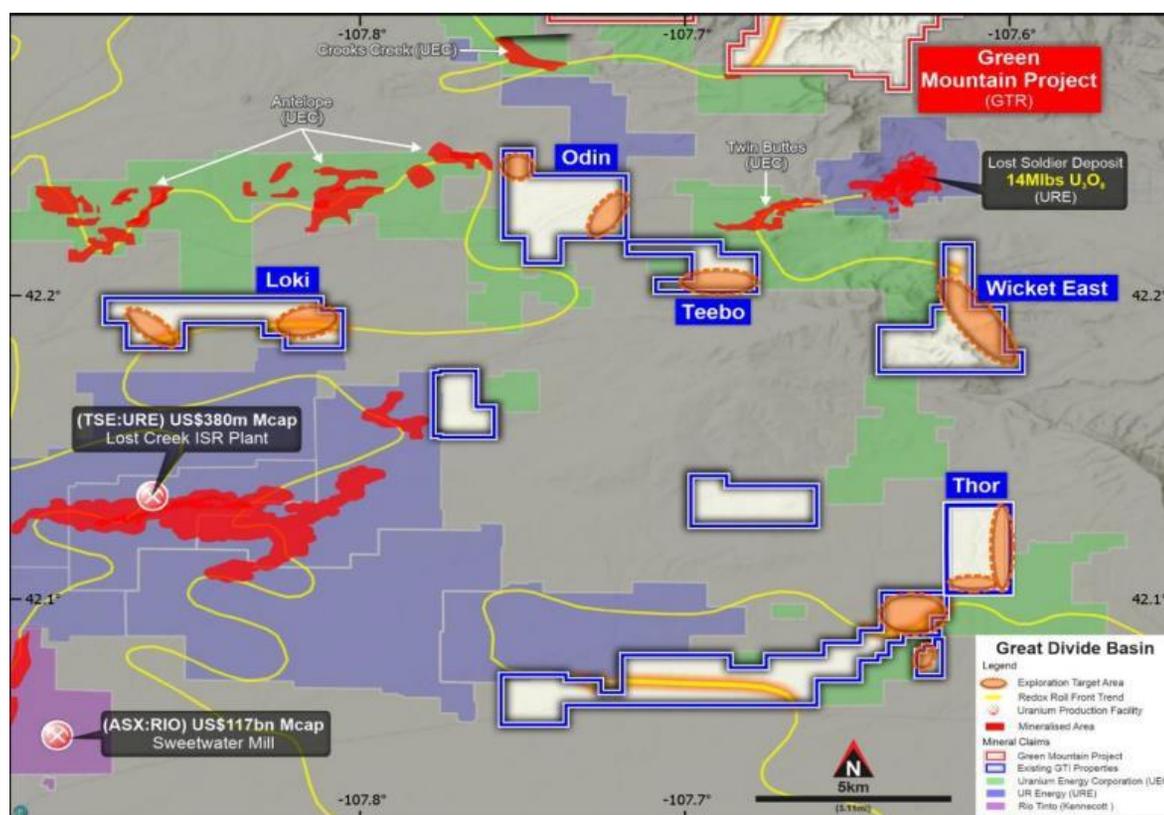
Project Overview	
Number of Project Areas	3
Project Location	USA
Project Status	Wyoming – Great Divide Basin: Early exploration stage Wyoming – Green Mountain: Early exploration stage Utah – Henry Mountains: Early exploration stage
Primary Metals	Uranium Vanadium is a valuable coincident mineral associated with uranium at the Utah assets

GDB/Green Mountain ISR Uranium, Wyoming, the US

The Great Divide Basin (“GDB”) is the most underdeveloped of the Wyoming uranium deposits. The project includes ~22,000 acres (8,900 hectares) across several groups of strategically located and underexplored mineral lode claims and 2 state leases, prospective for sandstone hosted uranium that is amenable to ISR mining. The properties are principally located in the Great Divide Basin, Wyoming, US. Further, GTI completed the acquisition of Logray Minerals Pty Ltd, the holder of ~13,800 acres of contiguous ISR uranium exploration claims at Green Mountain in Wyoming, abutting Rio Tinto’s claims. This increases GTI’s holding to ~35,000 acres.

Historical Kerr McGee drill data and oil-well exploration drill logs confirm the presence of a number of uranium mineralized roll fronts hosted in the Battle Springs formation close to several major deposits and conducive to ISR recovery. GTI relied on historical drilling records to guide the 100,000 feet follow-up drilling program it commenced on September 15, 2022, which is expected to be complete in the coming weeks. GTI completed the follow-up drilling on the Thor project on November 8, 2022, drilling 70 holes for a total of 34,010 feet. The rigs have now moved to Odin for further drilling.

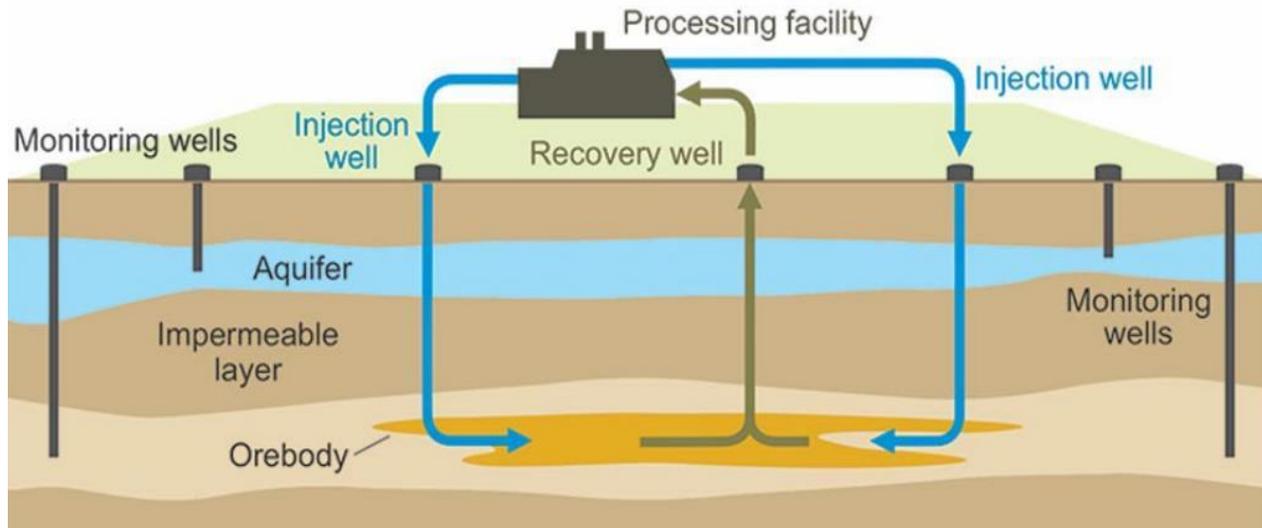
GDB Wyoming ISR Uranium Projects - Planned Exploration Drilling Areas



Source: Company website

ISR Mining: ISR mining, also called Insitu Leach (“ISL”) or Solution Mining, is one of the two primary extraction methods that are currently used to extract uranium from the earth. ISR facilities recover uranium from low-grade ores where conventional mining methods may be expensive and/or environmentally more damaging. The ISR method involves the following steps:

Conceptual Model of the ISR Mining Process



Source: Company website

- 1. Injecting the Lixiviant:** A solution called lixiviant (typically containing water mixed with oxygen and/or hydrogen peroxide, as well as sodium carbonate or carbon dioxide) is injected through a pattern of injection wells into the underground ore body to dissolve uranium.
- 2. Uranium Extraction:** The lixiviant emerges from the ore body carrying the uranium bearing solution with it. This is collected in a series of recovery wells and pumped to a processing plant, where the uranium is extracted from the solution through an ion-exchange process.
- 3. Purification:** The uranium extract is then further purified, concentrated, and dried to produce a material, which is called "yellowcake" because of its yellowish color.
- 4. Processing:** The yellowcake is transported to a uranium conversion facility, where it is processed through the stages of the nuclear fuel cycle to produce fuel for use in nuclear power reactors.

Other non-core assets: The Company plans to put its other non-core asset on the backburner and expedite exploration work at the Wyoming asset.

- 1. Henry Mountains Uranium/Vanadium, Utah, the US:** GTI has ~1,800 ha of land holdings in the Henry Mountains region of Utah, within Garfield and Wayne Counties. Uranium and vanadium mineralisation in this location is generally shallow and present at a depth of 20 m to 30 m.
- 2. Niagara (Kookynie) Project, Western Australia:** The Niagara project is located 6 km southwest of Kookynie in the central goldfields of Western Australia. Historical mine records, from WAMEX reports, show that historical workings produced 5,100 oz Au at a grade of 25.8 g/t between 1898 and 1914. GTI executed a binding Tenement Sale and Purchase Agreement for the sale of this project to Regener8 Resources NL. This project has now been divested via the sale to Regener8 Resources as part of its IPO on ASX.

Company Milestones

Year	Event
2007	<ul style="list-style-type: none"> GTI Resources Limited (The Company's name was changed to GTI Energy Ltd in 2022) was listed on Australian Securities Exchange Ltd or ASX on August 8, 2007, under the ticker "GTR"
2009	<ul style="list-style-type: none"> Entered a joint venture with Artemis Resource Limited over GTI's Cambridge Creek, Yangibana and Bali Hi projects
2014	<ul style="list-style-type: none"> Completed a share placement of 7 million ordinary shares at an issue price of 2 cents per share
2015	<ul style="list-style-type: none"> Completed a share placement of 2 million ordinary shares at an issue price of 2 cents per share
2016	<ul style="list-style-type: none"> Completed a share placement of 3.5 million ordinary shares at an issue price of 2 cents per share Completed a share placement of 8.4 million ordinary shares at an issue price of 1.5 cents per share
2019	<ul style="list-style-type: none"> Entered into a binding agreement with Voyager Energy Pty Ltd to acquire 100% interest in uranium and vanadium properties in Utah, US Applied for the prospecting license P40/1506 at Niagara Gold Project
2020	<ul style="list-style-type: none"> Entered into a binding agreement with Leon Gianni to acquire prospecting license applications P40/1513 and P40/1518 at Niagara Gold Project Entered into a binding agreement with Carmichael prospecting Company Pty Ltd. to acquire prospecting license P40/1492 at Niagara Gold Project Completed the maiden drilling program at the Jeffrey project in the Henry Mountain region, Utah
2021	<ul style="list-style-type: none"> Entered into a binding agreement with Branka Minerals Pty Ltd to acquire 100% interest in uranium properties in Wyoming's Great Divide Basin Granted 4 new prospecting licenses, P40/1515, P40/1516, P40/1517, P40/1506 at Niagara Gold Project Implemented ESG reporting and carbon neutrality programs. Commenced exploration drilling for ISR uranium at the Thro project in Wyoming ASX: GTRO options listed on ASX (3 cent strike price with expiry 20 Oct 2024)

2022

- Finalized and reported successful 50,000 feet (100 hole) maiden drill program.
- Planning advanced for July follow-up 100,000 feet drill program in GDB.
- Started trading on the OTCQB Market under the ticker "GTRIF"
- Settled the acquisition of an additional ~13,800 acres of ISR uranium property at Green Mountain (GDB Wyoming) from Logray Minerals Pty Ltd.
- Raised A\$5m @ 2.1c via private placement in April 2022.
- Changed the Company's name to GTI Energy Ltd
- Divested Australian gold project via Regener8 Resources IPO on ASX.
- James Baughman, uranium geologist, appointed as US (Wyoming) based executive director
- Completed follow-up drilling at GDB Thor ISR Uranium project

Corporate Strategies and Future Outlook

Since its incorporation in 2007, GTI has primarily focused on the acquisition and exploration of high-potential gold sites. In the initial years of business, the Company's secondary focus was on acquiring and exploring uranium assets. However, in recent years, the Company has narrowed and sharpened its focus to uranium, with market conditions for uranium mining becoming increasingly favorable.

The Company owned a gold project in Western Australia, however, in line with its long-term uranium-only strategy, in June 2022, the Company sold the majority stake in this asset to a spin out company called Regener8 Resources NL (ASX: R8R), which listed on ASX in July 2022. GTI now holds 15.66% of Regener8 Resources and will utilize the proceeds from the sale to develop GTI's flagship GDB and Green Mountain assets in Wyoming and potentially acquire more assets in its periphery. The Company is also looking for assets with the desired mineralization in the vicinity of other major uranium mining companies like Ur- Energy's Lost Creek, Rio Tinto's Jackpot and UEC's Antelope & Jab deposits.

Some of the salient attributes of the Company's uranium-focused strategy are as follows:

Capitalizing on the Emissions Free Energy Wave: GTI is banking on expectations of continued rapid growth in uranium demand and improving uranium term contract prices. The global power and energy crisis coupled with the climate response for zero emissions is driving the demand for alternative energy. Nuclear energy, which is produced using uranium, is a core component of the evolving alternative energy mix. GTI is trying to capitalize on the growing demand for uranium, which is a consequence of this energy dynamic.

The historical under-investment in uranium exploration due to the availability of cheap uranium from Kazakhstan and the fast depletion of uranium resources of traditional suppliers like Kazakhstan and Canada have created a demand-supply mismatch and sent uranium prices into a steep upswing. The COVID-related operation shutdowns at uranium mines have exacerbated the situation.

The reversal of reactor shutdown decisions by several G7 countries and other major economies, such as South Korea, has further augmented the demand for uranium, especially in the wake of Russia's invasion of Ukraine. Since the Russian invasion, the administration has announced plans to build uranium reserves for 10 years in the US, which is GTI's primary target market. Expectations of a widening uranium demand- supply gap and the consequent price rises are likely to position GTI for rapid growth if it is able to take its exploration assets into the production stage.

Acquiring Assets in Proven Belts: Uranium exploration activity in the US has surged in recent years because of a highly conducive environment. Several established mining companies have ramped up their uranium mining activities and several new companies with an exclusive focus on uranium mining have emerged. The region of Wyoming where GTI's principal asset is located has been at the forefront of this exploration frenzy with several established and emerging companies having conducted successful exploration work in recent years.

GTI's asset acquisition strategy is to acquire assets in this proven belt, next to major assets of other companies, so that the probability of achieving the desired mineralization is high and the Company is well placed to generate high returns on its exploration investments. This strategy would also allow GTI to optimize its exploration costs by having asset clusters close to each other and potentially forming large clusters by combining abutted land parcels.

Focus on ISR Uranium Mining Assets: The ISR uranium mining technology is a very mature technology that has become the industry standard in uranium mining hotbeds, such as Wyoming, Kazakhstan and South Australia as well as worldwide since its introduction. This technology is the lowest cost and least environmentally damaging form of uranium mining. The ISR technology is being used for mining at several major sites in Wyoming, where GTI's flagship GDB and Green Mountain assets are located. The Company also plans to utilize this technology at its Wyoming sites as and when they enter the production phase. The mineralization at the Company's Utah assets appears to be amenable to low-cost conventional underground mining and processing of the ore requires a specialist ore processing plant that separates the uranium and vanadium components. Energy Fuels Inc. ("EFR") operates the only existing operational plant of this type at Blanding, Utah. The Company has sequenced the Wyoming assets in priority to the Utah assets pending any decision by EFR to recommence production and take in district feed ores at the White Mesa Mill in Blanding.

Utah Asset Likely to Stay on the Backburner Unless Energy Fuels Offers a Buying Schedule for the White Mesa Mill: Even if the Company continues exploration work at the Utah asset and this asset advances to the development stage, the returns could be lower than those available from the Wyoming ISR assets, due to the likely application of a conventional mining methodology and toll milling with potentially lower returns. Additionally, the uranium mining support infrastructure in this region such as an ore buying & consolidation facility is currently lacking. For these reasons, we believe that significant advancement of the Utah asset is unlikely in the near future.

News

[GTI completes follow-up drilling at its Thor ISR Uranium project](#)

November 8, 2022

GTI has announced that two mud rotary drill rigs have now completed 70 holes, for 34,010-feet, of its planned 100,000 feet. drill program in Wyoming's Great Divide Basin. Drilling is completed at the Thor prospect where a total of 34,010 feet (10,366 m) was drilled for 70 completed holes.

[GTI commences drilling at its Thor ISR Uranium Project](#)

September 15, 2022

GTI Energy announced that two drill rigs have commenced drilling at the Thor ISR uranium prospect at its GDB project in Wyoming. Additionally, on September 28, the Company updated that two mud rotary drill rigs have completed the first 25 holes, for 12,820-feet (3,908 m), of its planned 100,000-foot drill program.

[GTI finalized planning for ~100,000 feet uranium drilling program](#)

July 27, 2022

GTI Energy announced that it has finalized planning for ~100,000 feet uranium drilling program at its Great Divide Basin ISR Project targeting known roll fronts for ISR amenable uranium. This plan includes ~40,000 feet of follow-up drilling at Thor plus ~60,000 feet at Odin, Teebo, Loki & Wicket. Drilling is anticipated to start in the coming weeks and finish by Christmas 2022.

[GTI Energy appointed new executive director to guide technical and commercial activities in US](#)

June 21, 2022

GTI Energy appointed Jim Baughman as executive director to help guide GTI's technical and commercial activities in the US. Jim Baughman is a highly experienced uranium geologist with more than 30 years of experience in minerals project. Jim Baughman also has experience holding senior positions such as COO, acting CFO, President, Chairman, and Chief Geologist in a number of mining and mineral exploration companies. Jim is Former President & CEO of High Plains Uranium (sold for US\$55m in 2006 to Uranium One) & Cyclone Uranium.

[GTI Energy sells its Niagara Gold Project to Regener8 Resources NL](#)

June 20, 2022

Regener8 Resources NL closed its IPO and raised A\$ 4.5 million. With the closing of the IPO Regener8 Resources NL is expected to conclude the deal with GTI Energy to acquire GTI's Niagara Gold Project. Under the acquisition agreement between GTI and Regener8 Resources NL GTI, had to receive 5 million Regener8 shares, 1.5 million performance rights and A\$ 150,000 cash at completion of the IPO and acquisition.

[Acquisition of Green Mountain Wyoming ISR Project completed](#)

June 20, 2022

GTI Energy Ltd completed the Acquisition of Logray Minerals Pty Ltd (Logray) the holder of the Green Mountain Project (Project). This marks the strategic acquisition of ~13,800 acres of contiguous ISR uranium exploration claims at Wyoming's Green Mountain to increase GTI's land holding, by 40%, to ~35,000 acres. The properties lie close to existing GTI GDB claims & adjacent to Energy Fuel's 30Mlb Sheep Mountain, Ur-Energy's Lost Soldier, Rio Tinto's Jackpot & UEC's Antelope deposits.

[GTI completed its due diligence for the Green Mountain ISR Uranium Project in Wyoming](#)

May 24, 2022

GTI completed the due diligence of Logray Minerals Pty Ltd.'s mineral lode claims at Green Mountain and is expected to complete the acquisition by the first week of June. The mineral lode claims lie south of Green Mountain, 5 km from GTI's existing Odin claim group and within 15 km of GTI's Thor project. Once the acquisition has been completed GTI's land holding in the Great Divide Basin will increase by 40% to 35,000 acres.

[GTI has applied for approval of 100,000-foot drilling program at Great Divide Basin ISR Projects](#)

May 16, 2022

GTI 100,000-foot drilling program at Great Divide Basin ISR projects in Wyoming to be completed by December 2022. As a part of the drilling program 40,000 feet of drilling was planned at the Thor project in the northeast corner, and 60,000 feet of maiden drilling at the Wicket, Teebo, Odin, and Loki projects.

[GTI's shareholders offered a Priority offer of up to 12.5 million shares under the Regener8 Resources IPO](#)

May 4, 2022

GTI has planned to sell its Kookynie Gold Project to Regener8 Resources to focus on its prospective uranium assets in the US. As a part of the acquisition, Regener8 Resources has made a priority offer of up to 12.5 million shares to GTI Resources' shareholders. Additionally, upon the completion of the IPO and acquisition, GTI will receive 5 million Regener8 shares, 1.5 million performance rights, and A\$ 150,000 in cash.

[GTI raises A\\$ 5 million to finance the acquisition of the Green Mountain ISR Uranium Project in Wyoming](#)

April 6, 2022

GTI intended to raise A\$ 5 million by issuing 240 million ordinary shares at A\$ 0.021 per share. The placement also offered one free-attaching option for every 4 shares subscribed. The capital raised will be used to fund the acquisition of the Green Mountain ISR Uranium Project and will support exploration work in the Great Divide Basin.

[GTI's maiden drilling results exceeded expectations at Thor Uranium Project in Wyoming](#)

March 29, 2022

GTI completed its maiden drilling program at the Thor ISR Uranium Project in Wyoming's Great Divide Basin. The drilling program included 100 drill holes for 48,540 feet of drilling which, encountered mineralized roll front over 17,640 feet of the project area indicating the potential for ISR uranium mineralization. Out of the 100 drill holes, 25 holes showed more than the targeted minimum grade thickness of 0.12 with an average grade thickness of 0.57.

[GTI divests its gold assets to focus solely on uranium](#)

February 3, 2022

GTI entered into a binding agreement to sell 100% interest in its Niagara Gold Project near Kookynie to Regener8 Resources NL pertaining to certain conditions and shareholder and regulatory approvals. The divestment is in line with the company's strategy of focusing on its prospective uranium assets in the US.

Listing Information

GTI Energy Ltd is headquartered in Perth, Australia and is listed on the Australian Stock Exchange - (ASX: GTR & GTRO) and OTC Markets Group - (OTCQB: GTRIF).

Contacts

Head office	Level 1, 89 St Georges Terrace, Perth, WA 6000, Australia
Telephone	+61 (0) 89226 2011
E-mail	info@gtienergy.au

Top Institutional Investors as on February 28, 2022

Equity Holder	No. of ordinary shares held	% Shareholding
Tolga Kumova entities	58,132,531*	5.15%
DC & PC Holdings Pty Ltd	41,313,604	3.66%
Forest Investment Corporation Ltd	37,062,647	3.28%
Citicorp Nominees Pty Limited	35,805,476	3.17%
Cobra Investments Pty Ltd	23,866,422	2.11%
BNP Paribas Nominees Pty Ltd	22,595,399	2.00%
S3 Consortium Holdings Pty Ltd	19,032,084	1.69%
HSBC Custody Nominees Limited	15,246,688	1.35%

Source: GTI Annual Report 2021 and regulatory filings

*Value derived from 5.15% reported shareholding. Includes holdings of related entities Kitara Investments Pty Ltd and Sisu International Pty Ltd.

Management and Governance

Nathan Lude

Non-Executive Chairman

- Has vast experience across different industries including the asset management, mining, and energy
- Founding Director of corporate advisory firm Advantage Management Pty Ltd
- Current Exec. Director of Hartshead Resources NL, an Australian based oil and gas company
- Former Exec. Director of Frontier Resources Ltd, an Australian based mineral exploration company
- Has completed ATCO Strategic Leadership Program from the Australian Institute of Management and holds a master's degree in Urban Development from Bond University

Bruce Lane

Exec. Director

- Significant experience holding management positions in a number of global blue-chip companies, ASX listed entities, resource companies, and startups across New Zealand, Europe, and Australia
- Current Chairman of SSH Group, an Australian based company focused on providing equipment hire, contract security services, and labor hire services
- Former Director of Hartshead Resources NL, an Australian based oil and gas company with projects in Africa and Europe
- Former Managing Director of Stonehenge Metals Ltd, an ASX-listed company which held uranium assets in South Korea and Atom Energy Ltd an ASX-listed company which held uranium & gold assets in Australia
- Holds a Sloan Master's degree from London Business School

James (Jim) Baughman

Exec. Director

- Highly experienced Wyoming uranium geologist and corporate executive who will help guide the Company's technical & commercial activities in the US.
- Former President & CEO of High Plains Uranium (sold for US\$55m in 2006 to Uranium One) & Cyclone Uranium. Jim has 30+ years' experience advancing minerals projects from grassroots to advanced stage.
- He has held senior positions (i.e., Chief Geologist, Chairman, President, Acting CFO, COO) in private & publicly traded mining & mineral exploration companies during his 30-year career.
- Registered member of the Society of Mining, Metallurgy, Exploration and a member of the Society of Economic Geologists with a BSc in Geology (1983 University of Wyoming) and is a registered professional geologist (P. Geo State of Wyoming).
- Jim is a registered Member of the Society of Mining, Metallurgy, and Exploration (SME) and a Qualified Person (QP) on the Toronto Stock Exchange (TSX) and Australian Stock Exchange (ASX).

Petar Tomasevic

Exec. Director

- Has deep experience working with ASX companies in marketing & investor relationship roles
- Current Director of Vert Capital, an Australian based boutique investment and corporate advisory firm
- Former Exec. Director of Fenix Resources Limited, an Australian based iron ore mining company
- Holds a diploma in Financial Planning from Kaplan Professional and a Bachelor of Science in Business Administration and Management from the University of Southampton Business School

Matthew Foy

Company Secretary

- Has over 13 years of experience in facilitating Public Company compliance with expertise in the ASX Listing Rules, operational and governance disciplines
- Company Secretary of mineral exploration companies Tietto Minerals Ltd & Meteoric Resources NL
- Former Company Secretary of Hartshead Resources NL, an Australian based oil and gas company
- Holds a graduate diploma in Applied Corporate Governance from Governance Institute of Australia and a graduate diploma in Applied Finance and Investment from Financial Services Institute of Australasia

Projects

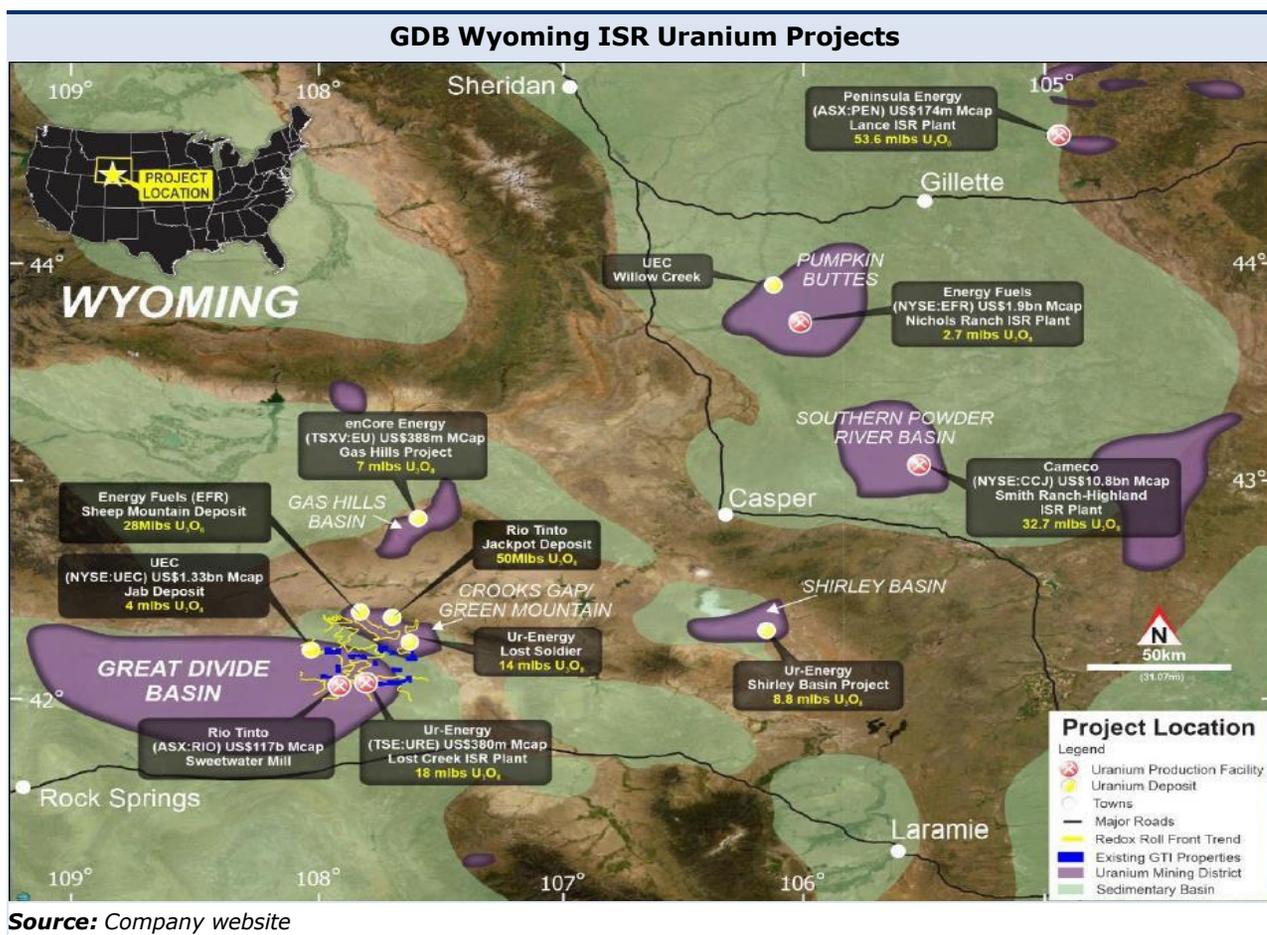
GTI currently has three projects. The Company is has divested its non-core Australian gold assets to focus on its highly prospective uranium assets in the US. A description of GTI's projects is as follows:

1. GDB and Green Mountain ISR Uranium

The ~22,000 acres of ISR uranium properties in the Great Divide Basin ("GDB") of Wyoming were acquired through the purchase of Branka Minerals Pty Ltd. On August 18, 2021, GTI acquired 100% rights in Branka, giving the Company the rights of the project. Moreover, GTI completed the acquisition of Logray Minerals Pty Ltd, the holder of ~13,800 acres of claims at Green Mountain in Wyoming adjacent to GTI's existing GDB projects.

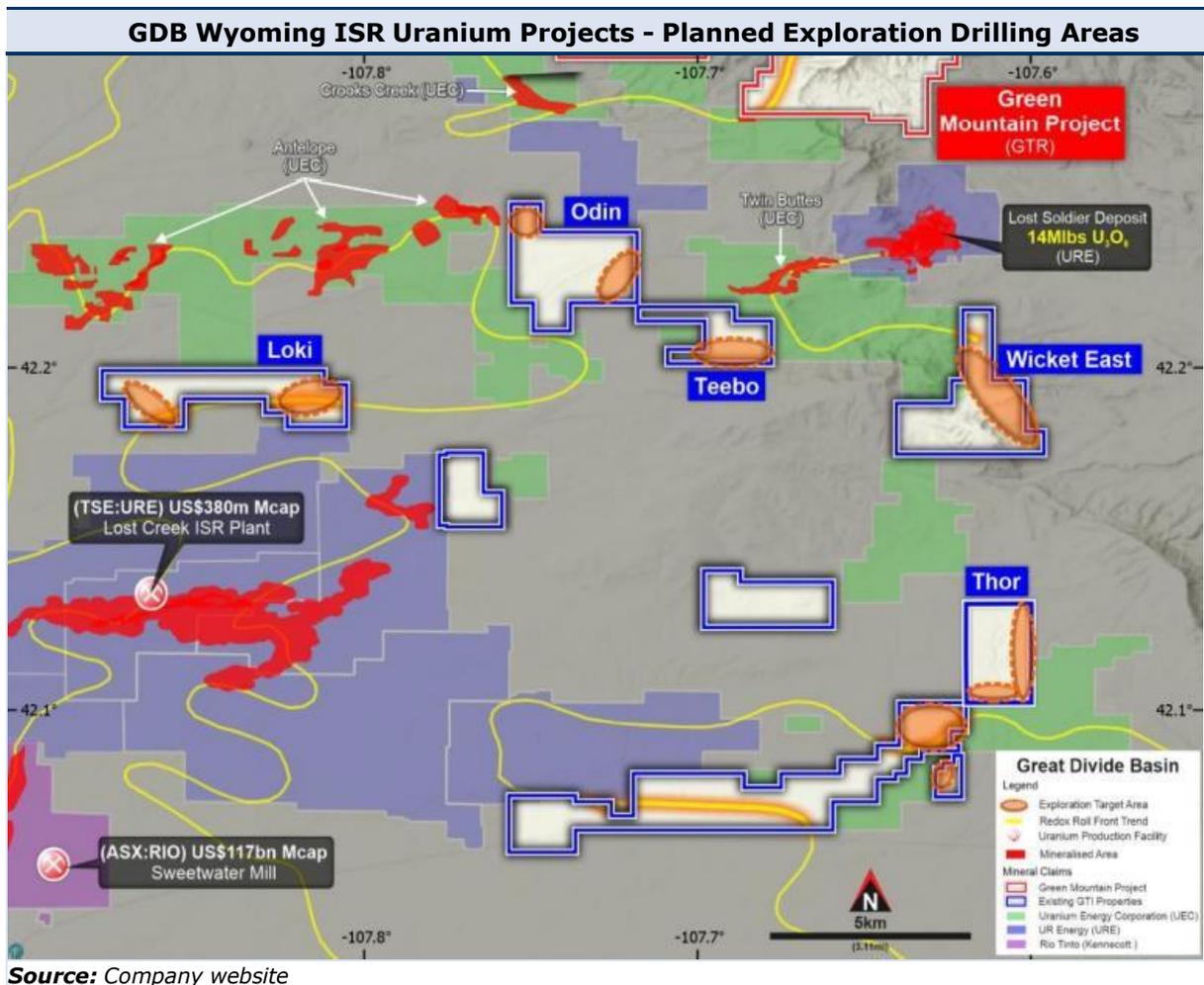
GDB Projects

Project Overview: GTI holds ~22,000 acres (8,900 hectares) of mineral lode claims with prospects for sandstone hosted uranium and is located in the Great Divide Basin, Wyoming, USA. These properties consist of unexplored mineral lode claims and two state leases administered through the Wyoming Office of State lands and Investment. As shown in the figure below, Wyoming properties are located near UR Energy's Lost Creek ISR facility and Rio Tinto's Sweetwater / Kennecott Mill and close to several significant uranium deposits.



Exploration Activities: On December 6, 2021, GTI commenced its maiden 15,000 m exploration program on the Thor ISR Uranium project using two mud rotary rigs. Thor is the initial exploration target area in the project. Drilling on Thor will be followed by Odin and Loki areas in 2022. The Company’s objective was to define the depth, thickness, grade, and width of mineralization across the REDOX front and identify REDOX boundaries and potential host sands. The drilling at the first 39 holes out of the 100 planned at the Thor project was completed by December 31, 2021, for a total of 18,802 feet. On March 17, 2022, the Company announced that it has completed the drilling at all the remaining 61 holes at the Thor project. The drilling program for 48,540 feet (15,000 m) encountered mineralized roll fronts covering 17,640 feet of the project area. The Company reported that there are 35 holes that met or exceeded the target uranium cut-off grade while 23 holes recorded better than the minimum targeted economic Grade Thickness (“GT”) of 0.2 GT with an average of 0.57 GT. The Company commenced follow-up drilling at the Thor ISR Uranium project on September 15, 2022 and completed drilling of 70 holes for a total of 34,010 feet (10,366 m) until November 8, 2022. Following are the initial results of the drilling program:

- 35 of 70 holes met both grade and GT cut off with an average of 0.65 GT
- 23 of the remaining holes met grade cut off but not GT, 8 had trace mineral & 4 were barren



Thor Project Drilling: On November 8, 2022, GTI completed the follow-up drilling at the Thor project where 70 holes were drilled for a total of 34,010 feet. The Company discovered 1.39 miles of new roll front trend, increasing the total roll front discovered to 4.85 miles of mineralized trend. The hydrological and geological setting of the mineralization also appears to be conducive to ISR recovery process. Drilling at the Thor State Lease property (Section 29) has also shown positive results with 14 holes showing mineralization above the 0.2 GT target, with the best hole at a GT of 2.55.

Wicket East Project Drilling: The Wicket East Project abuts the southern boundary of Ur Energy's Lost Soldier Deposit. Drilling of up to 20 holes (20,000 feet) of drilling at Wicket East seeks to explore a projected mineralized trend extending from the southern boundary of the Lost Soldier property for approximately 3 miles, as defined by historic drilling information similar in nature to that used successfully in the planning of the Thor drilling.

Odin, Loki and Teebo Projects Drilling: The Odin and Teebo claims are located adjacent to UEC claim holdings (former Uranium One) east of their Antelope Project. The Loki claims are located south of UEC's Antelope project and north of Ur Energy's Lost Creek project. Drilling of up to 40 holes (~40,000 feet) collectively across the Teebo, Loki and Odin projects also seeks to explore mineralized trends, over a combined length of approximately 5 miles, as defined by historic drilling information similar in nature to that used successfully in the planning of the Thor drilling.

Green Mountain project

Project Overview: On April 6, 2022, GTI announced it has entered into a binding terms sheet agreement to acquire 13,800 acres of claims at Green Mountain in Wyoming adjacent to GTI's existing GDB projects. The Green Mountain Project contains several uranium mineralized roll fronts hosted in the Battle Springs formation close to several major deposits. GTI plans to use historical drilling records to guide exploration. Several big mines and deposits in the region, rich exploration history, and historical drill data from Kerr McGee confirming the presence of Battles Spring formation were the factors which convinced the Company to acquire the project. On May 24, 2021, the Company announced that it had completed the acquisition due diligence on the project and on June 14, 2021, the acquisition was completed.

2. Henry Mountains Uranium / Vanadium

Project Overview: Henry Mountains project is spread across ~1,800 hectares within the Garfield and Wayne counties of Utah. In 2021, the Company acquired two State of Utah mineral leases in Utah from Anfield Energy Inc. These properties are adjacent to the Company's Jeffery and Nest projects and the Company now has a continuous 5.5 km mineralized trend as a result of the acquisition. From April 21 to April 27, the Company conducted its first field exploration program at the Section 36 Uranium project (part of the Company's overall Henry Mountains Uranium-Vanadium Project), logging 56 drill holes to depths of up to 20 m.

Exploration Activities: GTI started with the fieldwork to advance the project and leverage its existing underground developments. The Company employed the services of Hawkins CBM Logging of Wyoming to complete the geophysical logging using a calibrated gamma ray sonde for measurement of naturally occurring radioactivity. The Company followed industry-standard procedures to convert counts per second to grade (%eU₃O₈) published by the U.S. Atomic Energy Commission in 1962. Following are the highlights of the study:

- Hole 36-14 contained 4.5 feet (1.5 m) from 41 feet at a grade of 0.19% eU3O8 (1,900 ppm). Within this zone, the best interval was 3 feet (1 m) at a grade of 0.26% eU3O8 (2,600 ppm)
- Over half of the drill holes showed at least trace eU3O8 mineralization to a maximum depth of 61 feet
- Thickness and grade of uranium mineralization are consistent with that observed in the region's past producing mines that produced more than 17.5 Mt @ 2,400 ppm U₃O₈ (92 mlbs U₃O₈) and 12,500 ppm V₂O₅ (482 mlbs V₂O₅).

Subsequently, the second phase of uranium exploration was commenced and completed in June 2021. The program concluded with surface drilling of 40 holes, being drilled to an average depth of 74 feet (23 m) using a buggy rig, logged with a gamma probe. 23 holes were mineralized out of the 40 holes drilled. The second phase also included the downhole geophysical logging of 39 additional holes. On July 6, 2021, the Company reported the completion of drilling on Section 36 on time and within budget.

Following this, 32 new historical drill holes were also identified and logged, bringing the total number of drill holes to 128. On June 9, the Company received approval from the State of Utah for the second phase of exploration on Section 36. The drilling was commenced on June 25, 2021 and completed on July 6, 2021. The Company drilled and logged 40 holes with an average depth of 23 m. After the completion of exploration on Section 36, the Company shifted its focus on East and West mines. Initial assay results showed new mineralization in the West Exploration Target Area and the drilling confirmed mineralization.

On November 11, 2021, the GTI completed a field reconnaissance exploration program at its Henry Mountains project. The program resulted in the discovery of 308 additional backfills abandoned drill holes and loggable drill holes with the Rats Nest and Section 2 properties. Moreover, 3,700 feet of mineralized contact was mapped through outcrop and confirmed by scintillometer reading. 34 open underground mine workings were located and mapped with 4 of the underground workings shown to extend beyond 100 feet in drift length. The information gathered confirms the overall 5.5km Trend and has provided valuable data to help guide the next phase of exploration.

3. Niagara Gold Project

Project Overview: The Niagara Gold project is located in the central goldfields of Western Australia. The project had a historical production of 5,100 ounces of gold (6,800 tonnes grading 25.8 g/t gold). According to the Company, the project contains three high priority advanced exploration target areas, two second priority intermediate exploration target areas, and three early stage third priority exploration target areas. On February 3, 2022, the Company executed a binding Tenement Sale and Purchase Agreement with Regener8 Resources NL, to sell 100% interest in certain Western Australian tenements including the Niagara Gold project. On June 20, 2022, the Company reported the completion of the transaction. For the payment consideration, GTI received 5 million fully paid ordinary shares of Regener8, 1.5 million performance rights, and \$150,000 cash at the completion of the acquisition.

Industry Analysis

Global Mining Industry

The Mining industry comprises of companies that extract or provide support for the extraction of minerals, metals, and other valuable materials. The Global Mining industry's revenue is expected to increase from USD 1.84 trillion in 2021 to USD 3.36 trillion by 2026 at an implied Compounded Annual Growth Rate ("CAGR") of 12.9%ⁱⁱ. This growth is likely to be driven by the increasing demand for mined resources due to global clean energy transition. Additionally, supply constraints are also expected to persist despite increasing explorational activities.

Global Uranium Mining Industry

Uranium is a naturally occurring element that is present in soil, rock, and water in low concentrations. Uranium is commercially extracted from minerals such as Uraninite, Carnotite, Tyuyamunite, Torbernite, and Autunite. Uranium is primarily used as a fuel for nuclear power plants and nuclear reactors that run naval ships and submarines, and create medical isotopes such as Mo-99, I-131, and Xe-133.

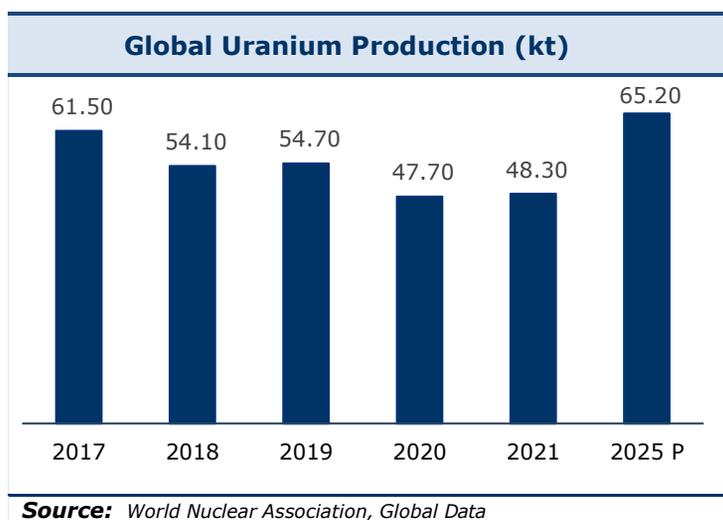
Uranium is mined from the earth using three different techniques: open-pit mining, underground mining, and ISR mining. Open-pit mining involves direct excavation of the surface to reach the ore body, creating a huge pit from where the ore is mined. Open-pit mining is generally preferred if the ore grade is less than 0.5% and is less than 400 feet from the surface.

Underground mining involves the creation of tunnels and shafts by drilling and blasting to reach the ore. Underground mining is used to mine high-grade ores as it is expensive than the other methods. The ores mined through both underground and open-pit mining techniques need to be transported to the mills where they are processed to get the metal.

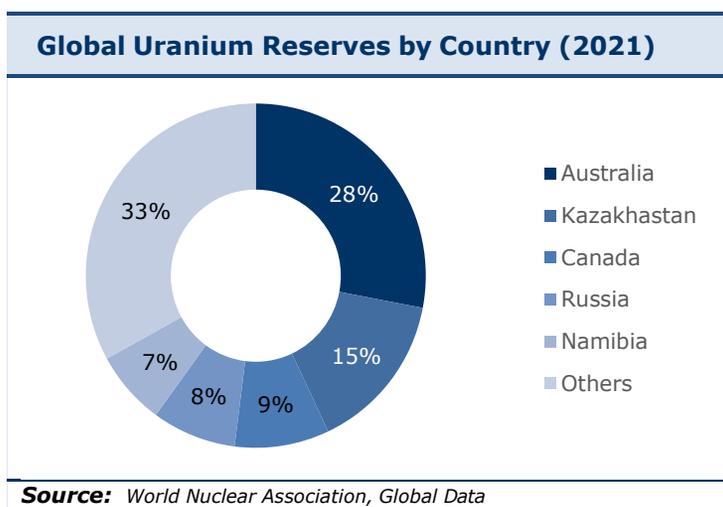
ISR mining involves drilling wells and pumping acidified water into the deposit to dissolve the minerals. The dissolved mineral is then pumped back to the surface and processed to get the metal. ISR mining extracts the metal from the deposit without excavating the host rock as a result it generates negligible mining waste. Uranium is a radioactive metal hence, the mining waste generated is hazardous, as ISR mining generated negligible mining waste it has the least environmental impact compared to other methods. ISR mining involves lower operating and capital expenses compared to the other two methods. Due to these competitive advantages uranium miners are increasingly using ISR mining to mine uranium. In 2021, 66% of the uranium mined globally was mined through ISR mining compared to 1990 when 55% of the global uranium mining was conducted using underground miningⁱⁱⁱ.

Global Uranium Production

Global uranium production has been declining in the past few years, mainly due to the poor price of the metal. This was further impacted by the COVID-19 pandemic and as a result, the global production of uranium fell from 54.7 kt in 2019 to 47.7 in 2020 kt, a 9.2% decline YoY^{iv}. The decline was majorly due to the suspension of the mining operations from March 2020 to September 2020 at the Cigar Lake mine in Canada which accounts for approximately 13% of the global uranium production. Additionally, In April 2020, Kazakhstan, the world’s largest uranium producer also reduced mining activities for 4 months.

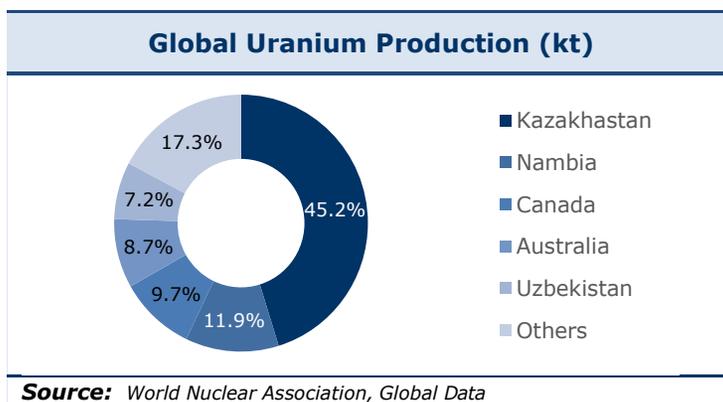


In 2021, the global uranium production increased to 48.3 kt due to the removal of COVID-19 led restrictions and the resumption of mining activities. Kazakhstan was the largest producer of uranium in the world in 2021 with a production of 21.8 kt of uranium followed by Namibia (5.8 kt), Canada (4.7 kt), Australia (4.2 kt), and Uzbekistan (3.5 kt). Increasing energy demand coupled with the growing climate-related concerns is expected to drive the demand for uranium as a fuel for nuclear power plants. Raising demand is expected to increase uranium exploration and mining activity, resulting in an increase in production to 65.2 kt in 2025, at an implied CAGR of 6.2% between 2021 to 2025 to reach^v.



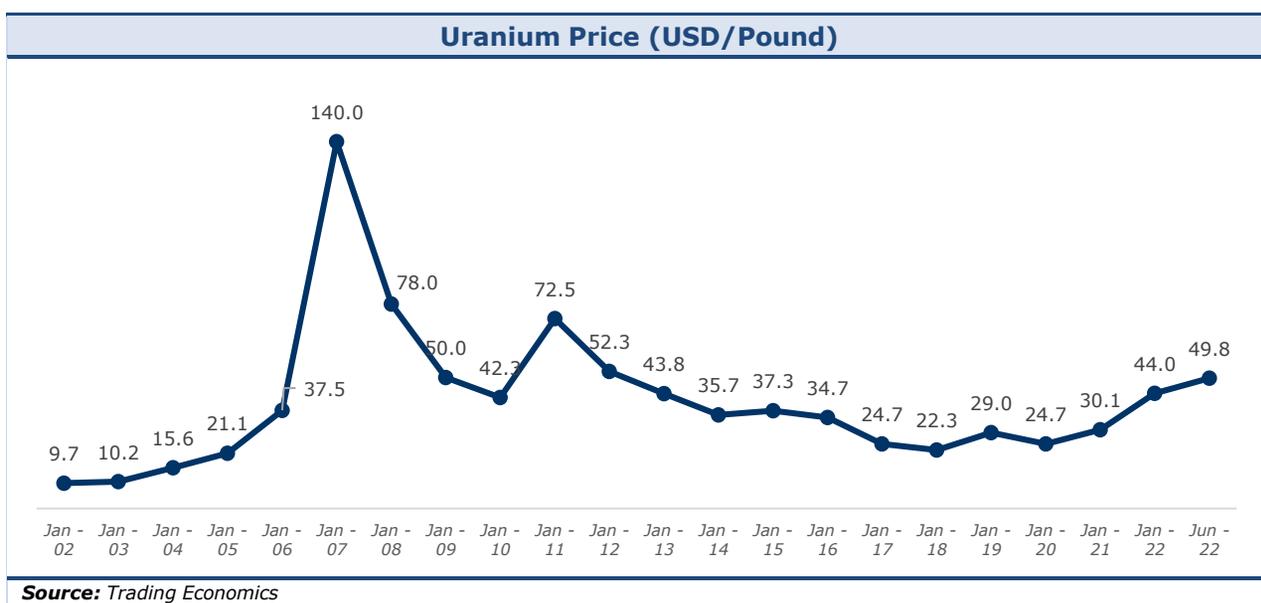
Demand for Uranium

Uranium is used in energy, defense, and medical sector. Out of these sectors energy constituents for the majority part of uranium demand. Around 10% of the world’s energy that is 2500 TWh each year is generated in nuclear power plants using uranium as a fuel. As per World Nuclear Association, there are about 440 nuclear reactors across the globe with a combined capacity of 390 GW. These reactors require 62.5 kt of



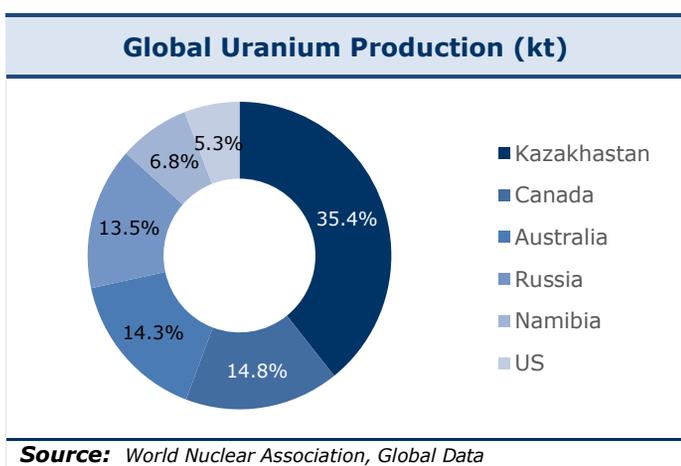
uranium for their regular operations^{vi}, whereas global uranium production stood at 47.7 kt in 2020. The deficit of 14.8 kt of uranium that is, 23.7% of total demand was supplied through commercial and military stockpiles. Global Uranium reserves are estimated to be 6,045.3 kt of which Australia has the largest reserve of 1,692.7 kt followed by Kazakhstan (906.8 kt), Canada (564.9 kt), Russia (486.0 kt), and Namibia (448.3 kt)^{vii}.

Uranium prices hit an all-time high of USD 148 per pound in 2007 and declined steadily to as low as USD 15 per pound in 2016. As a result, uranium exploration and mining activities were also moderate while many miners even reduced their outputs. Towards the end of 2021, uranium prices saw a revival and hit a 9-year high of USD 48 per pound in September and slowly crossed the USD 50 per pound mark and hit USD 60 per pound in early March 2022, which is the highest since 2011. According to Trading Economics, uranium price is forecasted to trade at USD 58.9 per pound in 12 months that is by April 2023^{viii}



US Uranium Mining Industry

Uranium mining in the US peaked in 1980 when annual production was 20.0 kt but since 1980, the uranium production in the US has decreased steadily and currently, uranium is mined on a small scale by a few companies. In 2021, the domestic uranium production was 0.0095 kt which is an 88% decline compared to 0.079 kt in 2019^x. Even though the domestic production of uranium decreased, the demand for Uranium in the US has steadily increased and the US is the world's largest producer and consumer of nuclear energy. As of 2021, there were 93 operating reactors with a combined generation capacity of 95.5 GW, accounting for 20% of total US electricity generation in 2021^x. To



run these nuclear reactors the US purchased a total of 21.2 kt of uranium in 2021, of which Kazakhstan provided (35.4%), Canada (14.8%), Australia (14.3%), Russia (13.5%), and Namibia (6.8%) while domestic supply was (5.3%). In 2021, the US purchased 19% of its uranium through spot contracts while the remaining 81% was purchased under long-term contracts. At the end of 2021 the uranium supply for the period 2022 to 2031 to the US under the existing contracts totaled 81.6 kt while over and above this, there was an unfulfilled demand of 82.5 kt for the same period^{xi}.

Industry Trends and Recent Developments

1. US Government to Revive Domestic Uranium Industry due to National Security Concern

In January 2018, two mining companies, Energy Fuels Resources and Ur-Energy pleaded that the uranium imports were severely affecting the US uranium production and requested the federal government for a quota stating that 25% of domestic uranium consumption be met by US domestic producers. This led to a Section 232 investigation into the national security of imported uranium. Subsequently, Donald Trump administration established the Nuclear Fuel Working Group (“NFWG”) to analyze the national security consideration for the entire nuclear fuel supply chain. In the report submitted by NFWG, it stated that the US is overdependent on uranium exports and hence it is in the US’s national security interests to revitalize domestic uranium mining and conversion industries and that government intervention is necessary to ensure the revitalization of the industry. Following the report from the NFWG in April 2020, the US government proposed USD 150 million annually for 10 years to build a strategic uranium reserve by purchasing uranium from domestic producers. The US government is expected to invest in reviving its domestic uranium industry to reduce its dependence on uranium exports. As a result, prices of uranium in the US are expected to increase to promote the domestic production of uranium.

2. Impact of Russian Invasion of Ukraine

In early March 2022, Russia invaded Ukraine, and this has resulted in economic sanctions on Russia and overall negative sentiments towards Russia. The US has been at the forefront of these developments and hence is concerned about possible supply interruptions for enriched uranium from Russia. In 2021, Russia was the leading supplier of uranium enrichment services to the US and accounted for 25.7% of the US’s total uranium enrichment demand^{xii}. Additionally, Russia is also the 4th largest supplier of Uranium to the US, accounting for 13.5% of the US’s total uranium demand. On 7 June 2022, Bloomberg News reported that the Biden administration is urging lawmakers to support a USD 4.3 billion plan to accelerate the development of enriched uranium domestically^{xiii}. These developments are expected to further catalyze the revival of the domestic uranium production and conversion industry in the US.

3. Need for the development of New Uranium projects Due to the Growing Demand for Nuclear Energy

The global energy demand is continuously increasing due to rising population, increasing urbanization, technology development, and economic development. However, due to growing climate concerns, governments across the globe are trying to move away from traditional energy sources such as coal and other fossil fuels and toward clean and sustainable energy sources. Nuclear energy is one of the options and as of June 2022, there are 440 operating nuclear reactors across the world, 55 reactors under construction, 95 planned reactors, and 340 proposed reactors^{xiv}.

Risk Profile Analysis

1. Operational Risk

The future sustainability of the business model for an early-stage mining and exploration company such as GTI is dependent on finding viable exploration targets and getting positive results from the drilling and feasibility studies being conducted. Drilling and exploration activities on the assets that the Company currently holds are in preliminary stages and it is likely to take a few years for the Company to conduct and release a PEA or PFS on these assets. Although historical studies and production on properties in Wyoming indicate the presence of high-grade resources, the Company is yet to conduct advanced studies that conclusively establish resource presence and define the resource levels.

Additionally, as uranium is a radioactive and carcinogen element, waste disposal and safety of miners is a key challenge that a uranium mining company must navigate. Being exposed to gases like radon, which is emitted from these radioactive elements can lead to cancer, reproductive damage, and can cause permanent scarring of the lungs (pneumoconiosis). These factors are a major concern for an underground or an open pit mine. However, the Company's flagship GDB project in Wyoming is an ISR mine, which means it is efficient both in terms of cost and safety profile in terms of impact on the environment and health. This will be a key advantage to the Company and thus we believe that currently, the Company has a MEDIUM operational risk profile.

2. Financial Risk

Being an exploration-stage mining company, GTI currently does not generate any operating revenues and relies on frequent debt and equity financing to acquire new assets and fund drilling operations at these assets. As of September 30, 2022, the Company reported a cash balance of A\$ 5.4 million. We believe that this amount would suffice the short-medium term cash requirement of the Company. However, in the longer term, the Company's ability to raise funds from external sources would largely depend on its results from further exploration work at its land holdings. The Company believes that the drilling and exploration activities at its projects in Wyoming would lead to a discovery of high- grade mineralized Uranium resources as Wyoming is one of the top regions of the US in terms of reserves and the Company has achieved encouraging results from drilling and exploration work till date. Additionally, the Company's land assets are adjacent to assets that have delivered encouraging exploration results in the past. Given these factors, we believe that the Company has a MEDIUM financial risk profile.

3. Regulatory Risk

Although the US is generally a mining-friendly nation, the regulatory environment can be complex and unpredictable at times due to the presence of three legislative levels – federal, state, and regional. As opposed to the common law in the country, mining is majorly governed by civil law as the country has defined regulatory schemes. The US also has several acts such as the Clean Air Act, the Clean Water Act, and the Endangered Species Act, in place to mitigate the adverse effects of mining on the environment. Despite these complexities, the regulatory environment has generally been predictable due to well-defined rules and regulations. This has gone a long way in the Mining industry's continuous growth and GDP contribution of close to 3% in 2020.^{xv}

The US is the highest consumer of uranium in the world and is heavily dependent on imports from Kazakhstan, Russia, Canada, and Australia.^{xvi} To reduce its over-dependence on these countries and promote its national safety interests, in 2018, the country established NFWG and budgeted 150 million annually for the next 10 years for the purchase of uranium exclusively from

domestic producers. Additionally, the country is expected to undertake further steps to promote domestic production as the demand for Uranium has increased in the recent years, while domestic production has decreased significantly. Given the US's stable and predictable regulatory environment and recent initiatives to promote domestic production of uranium, we believe that the Company has a LOW political and regulatory risk profile.

4. Economic Risk

Currently, the overall macroeconomic environment in the US is sluggish with the country witnessing GDP growth rate of 2.6% for Q3'22 and surging inflation. The rising crude oil prices and Russia's invasion of Ukraine have further led to supply-chain disruptions and inflationary pressures all over the world. However, we do not see these as long-term growth pressures for GTI. In fact, we see some positives emerging out of this from GTI, especially since the US and several other countries have imposed trade and economic sanctions on Russia and have started turning to domestic energy resources to reduce their import dependence. This increasing dependence on domestic sources could turn out to be a major tailwind for GTI and its industry peers. Uranium prices have started increasing in the second half of 2021 after a slump of over a decade. If this uptrend persists, the Company is likely to have better margins to work with and more investor interest as it enters the development and production stages. As such, we believe that the Company has a LOW long-term economic risk profile.

5. Legal Risk

On August 6, 2021, GTI was served with a complaint in Garfield County by Ausi Projects, LLC, alleging a breach of an acquisition agreement announced on July 1, 2019. The complaint included damage claims of USD 265,000. The Company has denied all the allegations and has filed a counterclaim against Ausi. The Board of GTI believes that the lawsuit has no basis and represents an unreasonable claim. However, the course of events once the trial begins can be protracted and cannot be predicted with any certainty. The case dragging on for long may have financial implications for the Company and may include the possibility of an unfavorable verdict although the extent of the claim is limited. For these reasons, we believe that the Company has a MEDIUM legal risk profile.

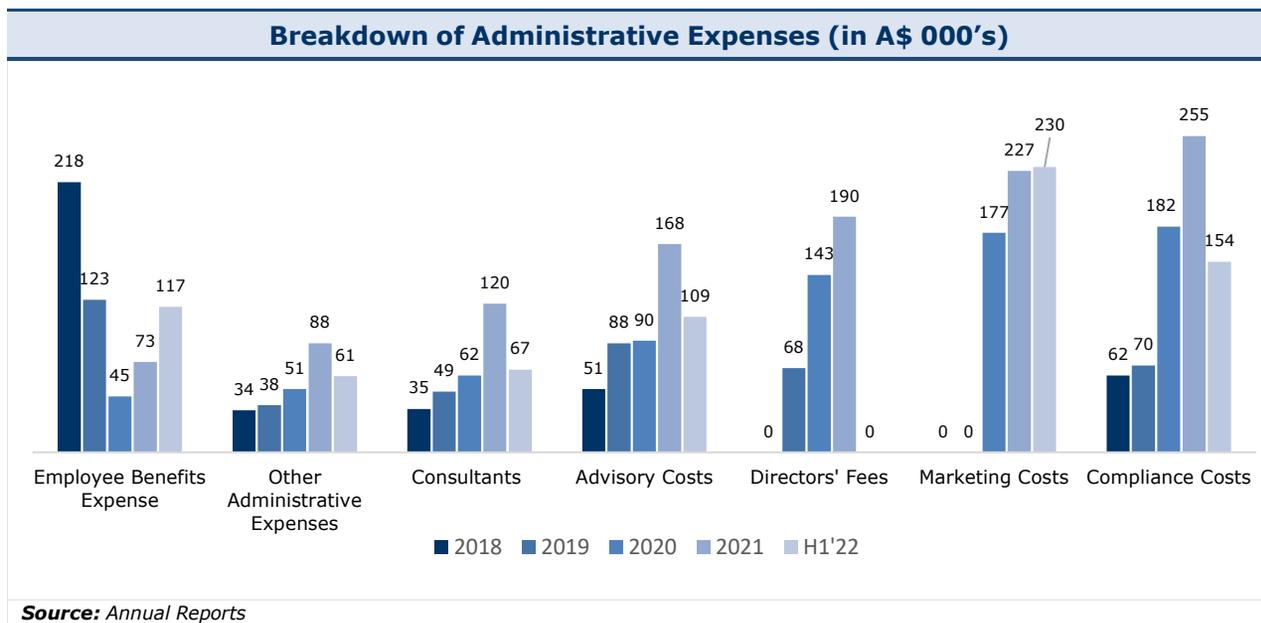
Financial Analysis

Revenue

GTI has not generated any revenue through operations as all its assets are in early exploration stage. Currently, resource and reserve estimates for the Company’s assets are also not available and hence any forecasts on Company’s future revenue would be highly speculative.

Expenses

The major expenses for GTI include Administrative Expenses, Depreciation and Amortization, Finance costs, and onetime expenses such as Exploration and Evaluation written off and Loss on Investments. Administrative Expenses is a major expense for exploration companies such as GTI. In 2021, the Administrative Expense for GTI was A\$ 1.12 million and accounted for 78.2% of the Total Operating Expenses and in H1'22 Administrative Expenses were A\$ 0.64 million. GTI’s Administrative Expenses includes expenses such as Employee Benefits Expense, Consultants (operational), Advisory Costs, Directors’ Fees, Marketing Costs, and Compliance Costs. The breakdown of GTI’s Administrative Expenses over the previous four years is as follows.



Balance Sheet

GTI has Total Assets worth A\$ 22.3 million as of June 30, 2022, major component of which are Exploration and Evaluation Assets accounting for A\$ 13.9 million (62.7% of Total Assets) and Cash and Cash Equivalents accounting for A\$ 6.9 million (31.1% of Total Assets). The Exploration and Evaluation Assets have increased drastically from A\$ 1.5 million in FY'19 to A\$ 13.9 million at the end of June 30, 2022. This is primarily due to the acquisition of uranium and vanadium assets in Wyoming and Utah. The Company has mostly financed its acquisitions and operations through Equity and hence, has no borrowing on its balance sheet as of June 30, 2022. The Book Value of Equity of GTI as of June 30, 2022 stands at A\$ 22.1 million which included an Issued Capital of A\$ 29.5 million, Accumulated loss of A\$ 12.7 million, and Share-Based Payment Reserve of A\$ 5.0 million.

Income Statement – Historical

<i>All figures in Australian dollars unless mentioned otherwise</i>	2018	2019	2020	2021
Revenue from continuing operations				
Other Income	686,648	57,780	64,119	6,432
Gain on Investment	-	20	30	1,170
Total Revenue	686,648	57,800	64,149	7,602
Expenses				
Exploration and Evaluation Written Off	129,098	217,650	-	-
Depreciation and Amortisation Expense	310	1,089	433	930
Other Expenses	398,959	435,121	750,664	1,120,771
Loss on Investment	170	-	-	-
Share Based Payments	-	-	1,050,000	272,364
Finance Costs	-	-	-	40,000
Total Expense	528,537	653,860	1,801,097	1,434,065
(Loss)/Profit before income tax	158,111	(596,060)	(1,736,948)	(1,426,463)
Income Tax Benefit	-	-	-	-
(Loss)/Profit attributable to the owners of the Company	158,111	(596,060)	(1,736,948)	(1,426,463)

Balance Sheet – Historical

<i>All figures in Australian dollars unless mentioned otherwise</i>	2017	2018	2019	2020	2021
Current Assets					
Cash and Cash Equivalents	5788	440930	1,340,140	3,155,811	4,754,013
Other Receivables and Prepayments	3925	6588	24,097	227,141	325,441
Total Current Assets	9713	447518	1,364,237	3,382,952	5,079,454
Non-Current Assets					
Exploration and Evaluation	-	-	1,509,147	3,143,921	11,445,400
Plant and Equipment	1306	996	1,206	773	2,397
Financial Assets at Fair Value Through Profit or Loss	451	280	300	330	1,500
Other Receivables	-	-	-	-	19,913
Total Non-Current Assets	1757	1276	1,510,653	3,145,024	11,469,210
Total Assets	11,470	448,794	2,874,890	6,527,976	16,548,664
Current Liabilities					
Trade and Other Payables	688233	92922	72,200	478,178	377,659
Deferred Consideration	-	-	129,721	-	-
Provisions	203797	51542	6,105	20,050	49,371
Director's Unsecured Loan	103638	3638	-	-	-
Total Current Liabilities	995668	148102	208,026	498,228	427,030
Total Liabilities	995,668	148,102	208,026	498,228	427,030
Net Assets	(984,198)	300,692	2,666,864	6,029,748	16,121,634
Equity					
Issued Capital	6241092	7367871	10,190,370	14,005,275	23,349,925
Share Based Payment Reserve	763196	763196	908,882	2,298,829	4,382,280
Foreign Exchange Reserve	-	-	(5,953)	(110,973)	(20,725)
Accumulated Losses	(7,988,486)	(7,830,375)	(8,426,435)	(10,163,383)	(11,589,846)
Total Equity	(984,198)	300,692	2,666,864	6,029,748	16,121,634

Valuation

Equity Value of GTI Energy Ltd stands between **A\$ 35.1 million and A\$ 42.9 million**

Equity Value per share for GTI Energy Ltd stands between **A\$ 0.023 and A\$ 0.028**

(All figures in A\$ thousands)

Valuation Approach	Variance	Equity Value as on 29-November-2022	Price per Share (A\$)
Downside Case	-10%	35,092	0.023
Base Case	0%	38,991	0.026
Upper Case	10%	42,890	0.028

Important information on Arrowhead methodology

The principles of the valuation methodology employed by Arrowhead BID are variable to a certain extent, depending on the sub-sectors in which the research is conducted. But all Arrowhead valuation research possess an underlying set of common principles and a generally common quantitative process.

With Arrowhead commercial and technical due diligence, Arrowhead researches the fundamentals, assets and liabilities of a Company, and builds estimates for revenue and expenditure over a coherently determined forecast period.

Elements of past performance such as price/earnings ratios, indicated as applicable, are mainly for reference. Still, elements of real-world past performance enter the valuation through their impact on the commercial and technical due diligence.

We have presented the Comparable Company Analysis on which the fair value bracket is built.

Arrowhead BID Fair Market Value Bracket

The Arrowhead Fair Market Value is given as a bracket. This is based on quantitative key variable analyses such as key price analysis for revenue and cost drivers or analysis and discounts on revenue estimates for projects, especially relevant to projects estimated to provide revenue near the end of the chosen forecast period. Low and high estimates for key variables are produced as a valuation tool.

In principle, an investor comfortable with the high brackets of our key variable analysis will align with the high bracket in the Arrowhead Fair Value Bracket, and, likewise, in terms of low estimates. The investor will also note the Company intangibles to analyze the strengths and weaknesses, and other essential Company information. These intangibles serve as supplementary decision factors for adding or subtracting a premium in investor's own analysis.

The bracket should be taken as a tool by Arrowhead BID for the reader of this report and the reader should not solely rely on this information to make his decision on any particular security. The reader must also understand that while on the one hand global capital markets contain inefficiencies, especially in terms of information, on the other, corporations and their commercial and technical positions evolve rapidly. This present edition of the Arrowhead valuation is for a short to medium-term alignment analysis (one to twelve months).

Estimation of Equity Value

Value of GTI's equity has been arrived at using Listed Comparable Analysis. We have conducted the Listed Comparable Analysis using 2021 valuation multiples. The results have been summarized in the table below.

(All figures in A\$ thousands)

Valuation Approach	Equity Value as on 29-November-2022	Price per share (\$)
Listed Company Analysis	38,497	0.026

Listed Company Analysis

Listed Comparable Analysis method operates under the assumption that similar companies will have similar valuation multiples such as P/B, EV/Exploration Area and EV/Book Value of Exploration and Evaluation Asset. We have shortlisted companies similar in business with GTI based on parameters such as products and services, geography etc.

A list of available statistics for the companies was compiled, and the P/B, EV/Exploration Area and EV/Book Value of Exploration and Evaluation Asset multiples were calculated for each of the comparable companies for 2021. Since most of the data was not normalized, we have left outliers in our calculations. The weighted average of the resulting multiples was then calculated and used as benchmark for valuing GTI.

The weights allocated to the comparable companies were based on the degree of their business match with the subject Company.

(All figures in A\$ thousands)

Relative Valuation based on:	Weight	Equity Value as on 29-Nov-2022	Implied Share Price (A\$)
EV/Book Value of Exploration and Evaluation Asset	45%	38,686	0.026
P/B	45%	39,992	0.027
EV/Exploration Area (A\$/km ²) *	10%	30,918	0.021
Weighted Average Equity Value	100%	38,497	0.026

* The Company has not completed the exploration of all its land holdings; therefore, we have given the EV/Exploration Area multiple a lower weightage.

(All figures in A\$ thousands)

Relative Valuation based on:	Equity Value as on 29-Nov-2022	Implied Share Price (A\$)
Proportionate holding of GTI in RREGENER8 RESOURCES	494	NM
Weighted Average Equity Value through Uranium Comparables	38,497	0.026
Weighted Average Equity Value	38,991	0.026

Stock Exchange	Ticker	Company Name	Business Match %	EV/Book Value of Exploration and Evaluation Asset	P/B	EV/Exploration Area (A\$/km ²)
Toronto Stock Exchange	LAM	Laramide Resources Ltd	55%	1.3	1.2	NM
TSX Venture Exchange	AEC	Anfield Energy Inc	80%	3.1	NM	193.5
TSX Venture Exchange	EU	enCore Energy Corp	45%	1.9	1.9	1,027.5
Australian Securities Exchange	92E	92 Energy Ltd	75%	13.7	4.8	NM
TSX Venture Exchange	AAZ	Azincourt Energy Corp	65%	0.2	0.8	2.4
TSX Venture Exchange	PTU	Purepoint Uranium Group Inc	60%	NM	5.2	10.7
TSX Venture Exchange	VUI	Virginia Energy Resour	70%	6.7	6.3	2,467.2
Canadian National Stock Exchange	NCLR	Basin Uranium Corp	65%	269.1	17.2	164.7
TSX Venture Exchange	STND	Standard Uranium Ltd	65%	2.4	1.9	22.5
TSX Venture Exchange	AL	ALX Resources Corp	70%	0.5	0.6	1.7
Median				2.4	1.9	93.6
Mean without Outliers				3.1	2.6	179.1
Weighted Average Without Outliers				3.3	2.7	180.6
ASX	GTI			1.3	1.1	91.9

Analyst Certifications

We, Karan Mehta and Aditya Ahluwalia, certify that all of the views expressed in this research report accurately reflect our personal views about the subject security and the subject company, based on the collection and analysis of public information and public company disclosures.

Important Disclosures

Arrowhead Business and Investment Decisions, LLC received fees in 2022 and will receive further fees in 2022 from GTI Energy Ltd for researching and drafting this report and for a series of other services to GTI Energy Ltd, including distribution of this report, investor relations and networking services. Neither Arrowhead BID nor any of its principals or employees own any long or short positions in GTI Energy Ltd. Arrowhead BID's principals intend to seek a mandate for investment banking services from GTI Energy Ltd in 2022 and intend to receive compensation for investment banking services from GTI Energy Ltd in 2022 or beyond.

Aside from certain reports published on a periodic basis, the large majority of reports are published by Arrowhead BID at irregular intervals as appropriate in the analyst's judgment.

Any opinions expressed in this report are statements of our judgment to this date and are subject to change without notice.

This report was prepared for general circulation and does not provide investment recommendations specific to individual investors. As such, any of the financial or other money-management instruments linked to the company and company valuation described in this report, hereafter referred to as "the securities", may not be suitable for all investors.

Investors must make their own investment decisions based upon their specific investment objectives and financial situation utilizing their own financial advisors as they deem necessary. Investors are advised to gather and consult multiple information sources before making investment decisions. Recipients of this report are strongly advised to read the information on Arrowhead Methodology section of this report to understand if and how the Arrowhead Due Diligence and Arrowhead Fair Value Bracket integrate alongside the rest of their stream of information and within their decision-making process.

Past performance of securities described directly or indirectly in this report should not be taken as an indication or guarantee of future results. The price, value of, and income from any of the financial securities described in this report may rise as well as fall and may be affected by simple and complex changes in economic, financial, and political factors.

Should a security described in this report be denominated in a currency other than the investor's home currency, a change in exchange rates may adversely affect the price of, value of, or income derived from the security.

This report is published solely for information purposes and is not to be considered as an offer to buy any security, in any state.

Other than disclosures relating to Arrowhead Business and Investment Decisions, LLC, the information herein is based on sources we believe to be reliable but is not guaranteed by us and does not purport to be a complete statement or summary of the available data.

Appendix

Glossary

ISR	In Situ Recovery
GDB	Great Divide Basin
ACCU	Australian Carbon Credit Units
GT	Grade Thickness

Notes and References

- ⁱ In Situ Leach Mining of Uranium
- ⁱⁱ The Business Research Company, Global Mining Market
- ⁱⁱⁱ World Nuclear Association, World Uranium Mining Production
- ^{iv} Nuclear Newswire, Uranium production expected to recover in 2021
- ^v Global Data, Top five uranium producing countries
- ^{vi} World Nuclear Association, Uranium market
- ^{vii} INN Resource, Uranium reserves
- ^{viii} Trading Economics, Uranium
- ^{ix} US Energy Information Administration, Domestic Uranium Production Report
- ^x US Energy Information Administration, US nuclear industry
- ^{xi} US Energy Information Administration, Uranium Marketing Annual Report
- ^{xii} US Energy Information Administration, Uranium marketing annual report
- ^{xiii} Bloomberg, US seeks \$4.3 billion for uranium to wean off Russia supply
- ^{xiv} World Nuclear Association, World nuclear power reactors & uranium requirements
- ^{xv} National Mining Association Facts About Coal and Minerals (2020)