



ASX Release

31st July 2014

Quarterly Report – Period to 30 June 2014

HIGHLIGHTS

- New democratically elected Government accepted by International community.
- Environmental Social Impact Assessment (ESIA) for Ranobe mineral sands project submitted on 24 June 2014.
- Fine tuning future capital development options.
- Cash balance at 30 June 2014: A\$2.85 million.

MADAGASCAR ACCEPTED FOR SUCCESSFUL DEMOCRATIC CHANGE

Madagascar was removed from African Growth and Opportunity Act (AGOA) on January 1, 2010, following a 2009 coup d'état. AGOA is a U.S. preferential trade program established in May 2000 that provides duty-free access to the \$3 trillion U.S. market for thousands of products from eligible sub-Saharan African countries. One of the goals is to support sub-Saharan African economic development through trade and investment.

Successful elections in late 2013 led to the formation of Madagascar's first democratic government since the 2009 coup. The United States took steps to normalize relations with Madagascar, lifted all coup-related restrictions on direct assistance to the Malagasy government, and invited President Hery Rajaonarimampianina to attend the U.S.-Africa Leaders' Summit in Washington in August.

The decision to reinstate Madagascar's AGOA eligibility recognizes the nation's return to democratic rule, as well as President Rajaonarimampianina's commitment to promote transparency, combat corruption and begin rebuilding Madagascar's economy.

U.S. Trade Representative Michael Froman stated that "We are pleased that Madagascar has returned to the family of AGOA nations. We are hopeful that Madagascar will take advantage of AGOA's potential to create employment, expand bilateral trade and contribute to the economic well-being, security and health of its people.

Similar organisations have now commenced cooperation with Madagascar. The Extractive Industry Transparency Initiative ("EITI") Board also decided on 6 June 2014 to lift the

suspension of Madagascar. The EITI provides assurance to the investment community to the Government's commitment to the fight against corruption. Indeed the African Union, European Union and International Monetary Fund (IMF) have all resumed cooperation with Madagascar.

RANOBE MINE PROJECT

Environmental and Social Impact Assessment (ESIA)

Coastal and Environmental Services, a South African environmental consultancy with extensive experience in mineral sands and other mining projects in Africa completed the French version of the ESIA.

The ESIA for the wholly owned Ranobe Mineral Sands Project near Toliara on the west coast of Madagascar was submitted on Wednesday 24 June 2014 to The Office of National Environment (ONE) within the Madagascar Government. The components of the 9 Volumes for the ESIA were compiled in close consultation with ONE.

The Madagascar team has worked closely with the new Government and other stakeholders to ensure that when the final approval is received for the ESIA, your Company then has the go-ahead to build the Ranobe Project.

The ESIA represents an important progression for the approval process to commence mining activities at the Ranobe Project. The ESIA assists all parties to identify and be made aware of future mining activity near the city of Toliara, nearby communities and other public infrastructure while optimizing the value of the project. Your Company has a strong presence in the local community with a permanent office and workforce in Toliara and an active consultation process to support local initiatives such as a nursery to promote reforestation, medical undertakings with doctors from Australia to assist local needs, and provide employment.

The ESIA was completed in direct consultation with the neighbouring Toliara communities, and by listening to their concerns over several years, we believe such process will have a positive effect on the timely approval of the ESIA.

The Company anticipates approval during first calendar half of 2015.

Future Development plan

The timeframe to complete the approval process for the ESIA schedule will enable your Company to finalise the Engineering Design, continue to reduce overall capital costs, seek off-take for its ilmenite

product and continue discussion with financial banking institutions to support project development in calendar 2015.

The planned site development is summarised as follows;

1. Use a Mine Operator at the Ranobe mine site to excavate 8 Million tonnes per year (Mtpy) of mineralised sand and screen the material in-pit and then pump 8 Mtpy to a near-by Wet Concentrator Plant. This Wet Plant will contain spirals to gravity separate the Valuable Heavy Mineral (VHM) from the mostly white silica sand and then we plan to pump about 90% silica sand tail back to the mining void behind the working face.
2. The Company (WTR) will construct an all-weather 47 km dirt road some 10 metres wide to the Fiherenana River using local contractors. From the river to the port a 6 metre wide dirt road will be constructed a further 8 km to the warehouse.
3. Most likely (could contract) use WTR road haulage fleet capable for moving 180 tonnes of material per cycle to the port some 55 km from the Ranobe mine site. WTR plan to truck about 500,000 tonnes of VHM to the port. After processing, the remaining tail will be trucked back to the mining void.
4. The 6 metre wide haul road south of the river be placed adjacent to the existing levee bank and be some 2 metres above the natural surface and connect the port.
5. The mineral separation plant could be located at the mine site or port. The offices, fuel depot, diesel power generation and maintenance bay with all the facilities is adjacent to the Port Warehouse some 250-300 metres from the shoreline. WTR will construct a warehouse (s) capable of storing 90,000 tonnes of ilmenite. If the mineral separation plant is located at the port, the plant will be adjacent to the warehouse. Probably need a flat area of say 300 by 300 metres with a good limestone base and at the same height or higher than the levee banks.
6. Conveyor arrangement commencing some 10 metres in front of Warehouse is built onto a 320 metre jetty and it is proposed to load up to 20,000 tonnes of ilmenite per shipment.
7. Zircon/rutile concentrate will be loaded into 20 foot containers and transported some 8 km to existing Tulear port for shipping to customers.

CORPORATE

Current cash balance is A\$2.85m and A\$0.8m expected to be spent in September quarter

Cash used during the quarter amounted to A\$0.65m, representing mainly payments for administration costs (A\$0.5m) and technical studies (A\$0.15m). The cash balance as at 30 June 2014 stood at A\$2.85m. Forecast administrative and exploration/studies expenses for the next quarter are expected to be around A\$0.8m. Ongoing expenses for the ESIA application for some AU\$ 200k will be incurred during the next three quarters to end of March 2015. We anticipate additional expenditure on engineering for plant, jetty and marine design during the second half of 2014.

Discussion with possible Pigment partners

Your company is still in negotiation with different interested Chinese and pigment producers and will continue to pursue opportunities with possible Joint Venture options.

Jeff Williams

Chief Executive Officer

World Titanium Resources

All enquiries to be directed to:

support@worldtitaniumresources.com or Jeff Williams at jwilliams@worldtitaniumresources.com

About World Titanium Resources

World Titanium Resources (ASX:WTR) is an Australian listed mineral sands company that owns 100% of the Tier 1 Toliara Sands Project in Madagascar.

As background the Company received the two Mining Licenses for the Ranobe Project on 27 April 2012. Each of the License's has a term of 40 years and is renewable. Current resources and reserves for the deposit prepared by McDonald Speijers and Associates (see release dated 9th August 2012; Ranobe Mine – Significant Resource Increase) are stated below.

Resources for the Ranobe Deposit at a 3% THM cutoff.

Ore Resource Category	Tonnes (Mt)	Heavy Minerals		Slimes (%)	Mineral Assemblage (% in HM)		
		(%)	(Mt)		Ilmenite	Rutile	Zircon
Measured	209	7.59	15.9	4.01	72.2	2.4	5.6
Indicated	226	6.12	13.8	4.00	71.8	2.2	5.6
Inferred	524	5.50	28.8	4.40	72.3	2.3	5.6
Total	959	6.10	58.5	4.22	72.2	2.3	5.6

Reserve at Ranobe based on current starter pit design

Ore Reserve Category	Tonnes (Mt)	Heavy Minerals		Slimes (%)	Mineral Assemblage (% in HM)		
		(%)	(Mt)		Ilmenite	Rutile	Zircon
Proved	148	8.12	12.0	4.02	72.3	2.4	5.5
Probable	13	9.18	1.20	3.65	72.1	2.3	5.4
Total	161	8.20	13.2	3.99	72.3	2.4	5.5

Investors are cautioned that the information prepared for both releases dated 28 August 2012; Results of Completed Definitive Engineer Study for the Ranobe Mine, and the see release dated 9th August 2012; Ranobe Mine – Significant Resource Increase were prepared and first disclosed under the JORC Code 2004. They have not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. Similarly the material assumptions underpinning the production target have not changed, and remain valid since it was last reported.

Competent Person Statement

Ian Ransome, B.Sc. (Hons) Geology, Pr.Sci.Nat., a Director of the Company, who is a registered geological scientist with the South African Council for Natural Scientific Professions (SACNASP), and has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration, and is thus a Qualified Person in terms of the JORC Code, has reviewed and consented to the inclusion of the scientific and technical information contained in this ASX Release.

www.worldtitaniumresources.com

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 1/6/2010.

Name of entity

WORLD TITANIUM RESOURCES LTD

ABN

21 120 723 426

Quarter ended ("current quarter")

30th June, 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date(12mths) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for: (a) exploration & evaluation	(159)	(2,459)
(b) development	-	-
(c) production	-	-
(d) administration	(512)	(2,699)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	24	71
1.5 Interest and other costs of finance paid	(3)	(12)
1.6 Income taxes paid, GST/taxes paid	(2)	(10)
1.7 Other	-	-
Net Operating Cash Flows	(652)	(5,109)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(1)	(8)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	16	58
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other	-	-
Net investing cash flows	15	50
1.13 Total operating and investing cash flows (carried forward)	(637)	(5,059)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(637)	(5,059)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	5,635
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other - Costs associated with capital raising	-	-
	Net financing cash flows	-	5,635
	Net increase (decrease) in cash held	(637)	576
1.20	Cash at beginning of quarter/year to date	3,478	2,210
1.21	Exchange rate adjustments to item 1.20	7	62
1.22	Cash at end of quarter	2,848	2,848

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	86
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

All payments to Directors and Associates are on normal commercial terms.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

N/A

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	200
4.2	Development	-
4.3	Production	-
4.4	Administration	610
	Total	810

+ See chapter 19 for defined terms.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	598	928
5.2	Deposits at call	2,250	2,550
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		2,848	3,478

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	-	-	-
6.2	Interests in mining tenements acquired or increased	-	-	-

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid upper security (see note 3) (cents)
7.1	-	-	-	-
Preference securities (description)				
7.2	-	-	-	-
Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	362,006,589	362,006,589	Fully Paid	Fully Paid
+Ordinary securities Total Issued and Quoted Issued, but not quoted (subject to ASX escrow)				
7.4	-	-	-	-
Changes during quarter (a) Increases through issues/exercised options - Cash Issue - Merger Consideration (b) Decreases through returns of capital, buy-backs - Consolidation				

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

7.5	+Convertible debt securities <i>(description)</i>	-	-	-	-
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7	Options	<i>Options</i>	<i>Listed Options</i>	<i>Exercise Price</i>	<i>Expiry Date</i>
		475,000	-	\$0.80	08/05/2015
		19,716,667	-	\$0.285	31/03/2015
		1,500,000	-	\$0.13	12/08/2015
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	Debentures <i>(totals only)</i>	-	-	-	-
7.12	Unsecured notes <i>(totals only)</i>	-	-	-	-

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 31st July, 2014
 CFO

Print name: Goorodeo Sookun

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the

+ See chapter 19 for defined terms.

change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

- 3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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