



ASX Release

17<sup>th</sup> October 2014

## Quarterly Report – Period to 30<sup>th</sup> September 2014

### HIGHLIGHTS

- AML test work likely to simplify and reduce the cost of the Mineral Separation Plant.
- Submission process of the Environmental Social Impact Assessment (ESIA) for Ranobe mineral sands project now underway.
- New port studies underway.
- Cash balance at 30 September 2014: A\$2.29 million.

### RANOBE PROJECT

#### **Test work to remove reject Silica Tailings:**

World Titanium Resources again engaged Allied Mineral Laboratories Limited (AML) of Perth to conduct additional test work on Ranobe Heavy Mineral Sand material to investigate the potential of incorporating dry separation techniques to reject free quartz (silica tailings) and hopefully reduce operating and capital costs. Within the current Mineral Separation Plant, there will be a requirement to dry the product twice to reject the silica tail and as such will incur the cost of additional capital equipment.

The two tests specifically to reject silica sand were based on:

1. Screening through particle sizing; and
2. The use of air tables. The air tables separate using sizing and gravity whereas screening is reliant on a sizing separation only.

**Screening Test work:** The test work planned to separate the silica sand at the Wet Concentration Plant (WCP) using screening and eliminate transporting an additional 50,000 tonnes of sand to the Mineral Separation Plant (dry plant). The test work demonstrated that there was no noticeable clear separation across the sizing range. The results suggested there is little potential for rejecting a clean silica fraction using a screening stage at the WCP. There does not appear to be a distinct size distribution between zircon and silica that can be exploited to produce a cleaner product.

**Air Tables:** The results demonstrated that Ranobe material was amenable to air table separation.

As AML concluded, the results showed that air table technology showed significant selectivity between the zircon product and the silica that was not associated with the zircon.

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In summary, the process can produce a concentrate of Zircon and Rutile with less gangue and recover the majority of the economic minerals.

**Environmental and Social Impact Assessment (ESIA):**

World Titanium Resources Limited (the "Company") is pleased to announce that the Company's Environmental Social Impact Assessment (ESIA) for the wholly owned Ranobe Mineral Sands Project near Toliara on the west coast of Madagascar was submitted for evaluation on Wednesday 24 June 2014 to the Office National of the Environment (ONE) within the Madagascar Government `s Environmental Ministry.

A series of meetings with the relevant authorities has taken place and the Company is seeking the global environmental permit for the project which will cover the haulage road, the river crossing river and all infrastructure and plant at the mining and port sites.

Specific environmental permits will be sought as project advances towards construction and operational phase.

A number of public participation meetings and ONE technical meetings have been held to ensure the ESIA process has addressed all the public`s concerns.

The Company anticipates Global Environmental approval early in 2015. This schedule will enable your Company to finalize the Engineering Design, continue to reduce overall capital costs, seek off-take for its ilmenite product and continue discussion with financial institutions to support project development in 2015.

As part of the evaluation process, ONE is now preparing for the next Public Participation meetings as from the 19<sup>th</sup> of October in the township of Toliara & at the 4 communes affected by the Ranobe mineral sands project

**Proposed Haul Road:**

As previously announced, a parcel of land 100 meters wide and 47 kilometers long was identified as a haulage road from the mine site to the Fiherenana River near the Tulear port. The 47 km haul road parcel includes a buffer zone .

**Port Studies:**

We have re-engaged BMT JFA of Perth to continue assessing our needs for the port to deliver a minimum of 400,000 tonnes of ilmenite per year.

BMT JFA are capable of detail design and will need to approach contractors for port construction. In regard to our requirements, your team has incorporated some minor changes to reduce capital and ensure the port better services our needs.

Assuming the ESIA is approved during the first half of calendar 2015, we will prepare a Reference Design and send Expressions of Interest to prospective Contractors with the capabilities to build our port design. The port is the critical time path in the development of the Ranobe project and the port construction timetable is some 15 months from the Contract Award date. We have selected 6 to 7 prospective international companies capable of building our port.

### **Other Developments:**

Your team is identifying engineering and mine contractors to provide alternative methods to develop the project at Ranobe. Particular interest has been afforded to logistics referring mostly to the road and port construction. We are hopeful of reducing the current capital expenditure for the project to well below US\$200m.

## **CORPORATE**

### **Current cash balance is A\$2.3m and A\$1.3m expected to be spent in December quarter:**

Cash used during the quarter ended 30 September 14 amounted to A\$0.6m, representing mainly payments for engineering, geotechnical and environmental studies and administration costs. The cash balance as at 30 September 2014 stood at A\$2.3. Ongoing expenses from the studies on engineering, ESIA and marine will continue to be incurred and is expected to amount to approximately A\$1.3m.

### **Discussion with possible Pigment partners:**

Your company is still in negotiation with different interested Chinese parties 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

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### **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<sup>th</sup> 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 9<sup>th</sup> 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
<b>Total</b>	<b>959</b>	<b>6.10</b>	<b>58.5</b>	<b>4.22</b>	<b>72.2</b>	<b>2.3</b>	<b>5.6</b>

**Reserve at Ranobe based on current starter pit design:**

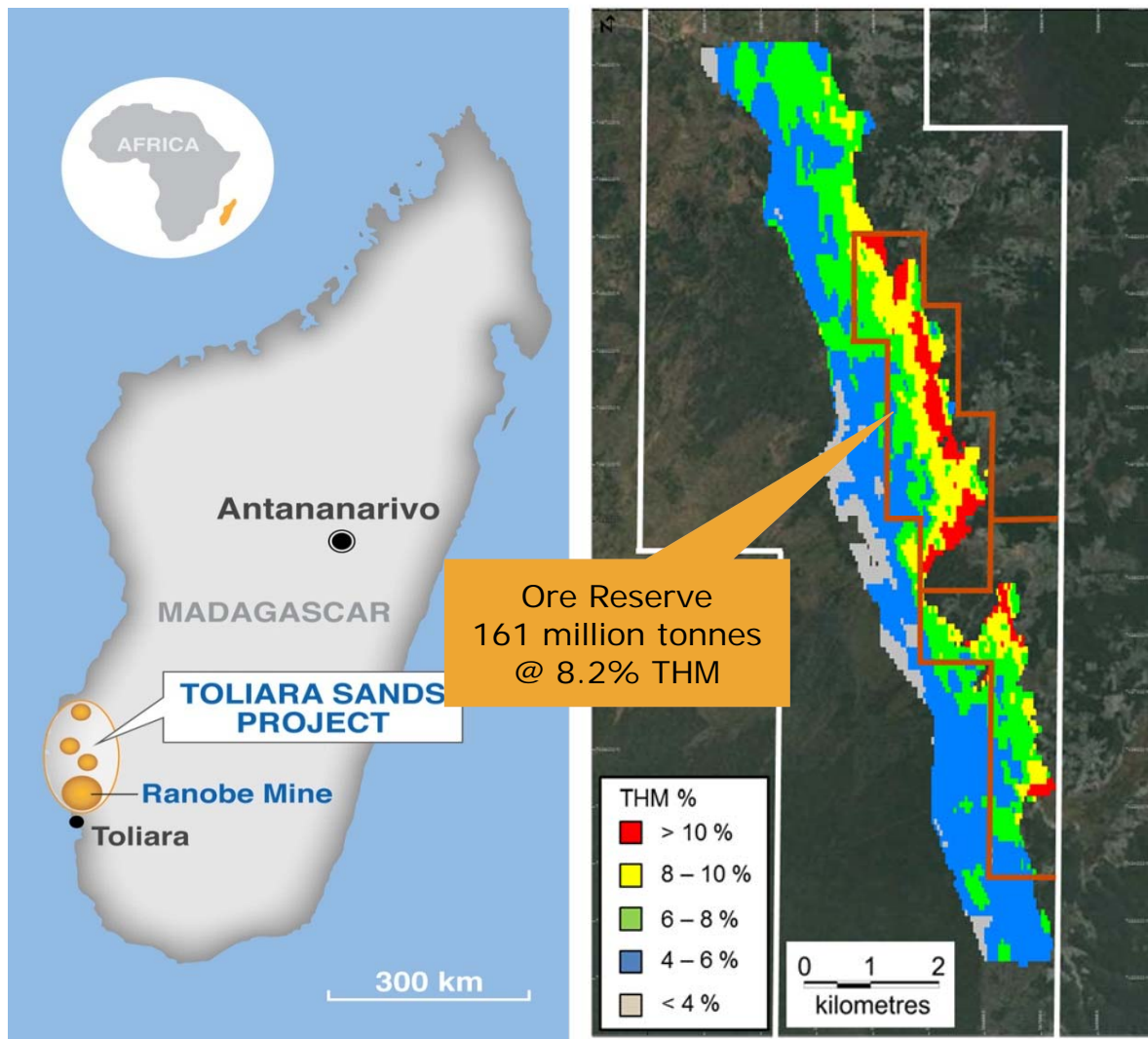
Ore Reserve Category	Tonnes (Mt)	Heavy Minerals		Slimes (%)	Mineral Assemblage (% in HM)		
		(%)	(Mt)		Ilmenite	Rutile	Zircon
Proved	148	8.12	12.0	4.02	72.3	2.4	5.5
Probable	13	9.18	1.20	3.65	72.1	2.3	5.4
<b>Total</b>	<b>161</b>	<b>8.20</b>	<b>13.2</b>	<b>3.99</b>	<b>72.3</b>	<b>2.4</b>	<b>5.5</b>

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 9<sup>th</sup> 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.

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# 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

<b>WORLD TITANIUM RESOURCES LTD</b>
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ABN

<b>21 120 723 426</b>

Quarter ended ("current quarter")

<b>30<sup>th</sup> September, 2014</b>

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date(3mths) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for: (a) exploration & evaluation	(184)	(184)
(b) development	-	-
(c) production	-	-
(d) administration	(428)	(428)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	19	19
1.5 Interest and other costs of finance paid	(3)	(3)
1.6 Income taxes paid, GST/taxes paid	(8)	(8)
1.7 Other	-	-
<b>Net Operating Cash Flows</b>	<b>(604)</b>	<b>(604)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(1)	(1)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	15	15
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other	-	-
<b>Net investing cash flows</b>	<b>14</b>	<b>14</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(590)</b>	<b>(590)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(590)	(590)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	-	-
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	-	-
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	(590)	(590)
1.20	Cash at beginning of quarter/year to date	2,848	2,848
1.21	Exchange rate adjustments to item 1.20	39	39
1.22	<b>Cash at end of quarter</b>	<b>2,297</b>	<b>2,297</b>

**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	80
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	700
4.2	Development	-
4.3	Production	-
4.4	Administration	600
	<b>Total</b>	<b>1,300</b>

+ 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	747	598
5.2	Deposits at call	1,550	2,250
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)		<b>2,297</b>	<b>2,848</b>

### 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	-	-	-	-
<b>Preference securities (description)</b>				
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
<b>+Ordinary securities Total Issued and Quoted</b>  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	<b>+Convertible debt securities</b> <i>(description)</i>	-	-	-	-
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7	<b>Options</b>	<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	<b>Debentures</b> <i>(totals only)</i>	-	-	-	-
7.12	<b>Unsecured notes</b> <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: 17<sup>th</sup> October, 2014

CFO

Print name:

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

+ See chapter 19 for defined terms.



- 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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