

Form 603

Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme World Titanium Resources Limited

ACN/ARSN 120 723 426

1. Details of substantial holder (1)

Name Base Resources Limited ACN 125 546 910 (**Base Resources Limited**) and each of its subsidiaries listed in Annexure A (**Base Subsidiaries**)

ACN/ARSN (if applicable) See Annexure A

The holder became a substantial holder on 21/12/2014

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Fully paid ordinary shares	28,232,234	28,232,234	7.80%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Base Resources Limited	Controls the exercise of power to dispose of the shares and controls the exercise of the right to vote attaching to the shares	200,000 fully paid ordinary shares
Base Resources Limited	Relevant interest under section 608(1) of the Corporations Act 2001 (Cth) by reason of the Pre-Bid Acceptance Agreement dated 21 December 2014 between Base Resources Limited and JP Morgan Asset Management (UK) Limited (JP Morgan) whereby JP Morgan agrees to accept 28,032,234 fully paid ordinary shares in World Titanium Resources Limited under Base Resources Limited's takeover offer, in accordance with the terms of the Pre-Bid Acceptance Agreement (attached as Annexure B of 8 pages).	28,032,234 fully paid ordinary shares

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Base Resources Limited	Alchemy Securities Pty Ltd	Base Resources Limited	200,000 fully paid ordinary shares
Base Resources Limited	JP Morgan Asset Management (UK) Limited	JP Morgan Asset Management (UK) Limited	12,251,158 fully paid ordinary shares
Base Resources Limited	JP Morgan Investment Management Inc.	JP Morgan Investment Management Inc.	332,558 fully paid ordinary shares

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)	Class and number of securities
Base Resources Limited	25 August 2014	Cash - \$0.035 per fully paid ordinary share	200,000 fully paid ordinary shares
Base Resources Limited	21 December 2014	Non-cash consideration – 5,606,447 fully paid ordinary shares in Base Resources Limited as specified in the Pre-Bid Acceptance Agreement attached as Annexure B	28,032,234 fully paid ordinary shares

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
N/A	N/A

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Base Resources Limited	Level 1, 50 Kings Park Road WEST PERTH WA 6005
Each Base Subsidiary	See Annexure A

Signature

print name Winton Willesee

Capacity COMPANY SECRETARY

sign here



date 23 / 12 /2014

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
 - (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
 - (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
 - (4) The voting shares of a company constitute one class unless divided into separate classes.
 - (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
 - (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
 - (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).
- See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg if the relevant interest arises because of an option) write "unknown".
 - (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

Annexure A

This is Annexure A of 1 page referred to in Form 603 (Notice of initial substantial holder) signed by me and dated 23 December 2014.



.....
Winton Willesee
Company Secretary
Base Resources Limited

Entity	ACN	Address
Base Titanium (Mauritius) Limited	N/A	C/o Trident Trust Company (Mauritius) Limited, 5 th Floor, Barkly Wharf, Le Caudan Waterfront Port Louis, Republic of Mauritius
Base Titanium Limited	N/A	1st Floor, Block A Nairobi Business Park Ngong Road PO Box 10643-00100 Nairobi
Base Exploration Limited	N/A	1st Floor, Block A Nairobi Business Park Ngong Road PO Box 10643-00100 Nairobi

Annexure B

This is Annexure B of 8 pages referred to in Form 603 (Notice of initial substantial holder) signed by me and dated 23 December 2014.



.....
Winton Willesee
Company Secretary
Base Resources Limited

18 December 2014

PRIVATE & CONFIDENTIAL PRIOR TO ANNOUNCEMENT BY CONSENT

The Directors
Base Resources Limited
ABN 88 125 546 910
Level 1, 50 Kings Park Road
West Perth WA 6005

Dear Sirs

Pre-bid acceptance deed

We agree with Base Resources Limited (**Base Resources**) to accept (or procure the acceptance of) a takeover offer by Base Resources in relation to World Titanium Resources Limited ABN 21 120 723 426 (**WTR**) for 28,032,234 fully paid ordinary shares in WTR held by us, or a nominee or custodian appointed by us, as at the date of this deed (**Sale Shares**), on the terms set out in this deed.

As at the date of this deed, the Sale Shares represent approximately 7.7% of the issued voting shares in WTR.

1 Shareholder undertakings

In consideration of the mutual promises contained in this deed as well as other valuable consideration, subject to paragraph 2, we agree to:

- (a) accept Base Resources' offer for the Sale Shares within 5 days of the Offer being declared unconditional by Base Resources in accordance with the Corporations Act; and
- (b) deliver a duly completed acceptance form for the Sale Shares to Base Resources within the period specified.

2 Conditions

Our obligations under paragraph 1 are conditional upon Base Resources releasing a public announcement to ASX Limited (**ASX**) on or before 6pm (Perth time) within 2 business days after both parties executing this deed stating that it intends to proceed with a takeover bid for all of the fully paid ordinary shares in WTR (**Shares**) by way of a scrip offer of one (1) fully paid ordinary share in Base Resources for every five (5) fully paid ordinary shares in WTR (**Consideration**) and on terms that are otherwise no less favourable than those specified in the Attachment unless otherwise agreed with you in writing (the **Offer**).

3 Other conduct

- (a) For so long as this deed remains in force:
 - (i) we will not dispose of, agree to or offer to dispose of or encumber any of the Sale Shares (or any interest in them), except pursuant to an acceptance of the Offer;
 - (ii) we will not enter into any discussions or negotiations relating to any possible disposal of the Sale Shares;

(iii) we will not make, propose or announce a takeover bid for WTR or propose or announce any other merger or scheme of arrangement involving WTR, nor will we assist any other person to do so; and

(iv) we agree to exercise any voting rights attached to the Sale Shares, and otherwise exercise all rights attaching to the Sale Shares, as directed by Base Resources, except that if WTR announces a scheme of arrangement under which a third party will become the controlling shareholder of WTR (**Scheme**) and the shareholders of WTR will dispose of all of their Shares at a price per Share higher than the Consideration and Base Resources does not, on or before the 5th business day before the Scheme meeting:

(A) undertake in writing to us to increase the Consideration to be equal to or greater than the price under the Scheme; and

(B) if the Offer has been made which remains open and Base Resources is required by law to do so:

(aa) increase the consideration under the Offer as required; and

(bb) waive any remaining defeating conditions,

we will be permitted to vote the Sale Shares in our discretion at the Scheme meeting.

(b) We consent to the inclusion of references to our name JP Morgan Asset Management (UK) Limited and the subject matter of this deed in any public announcement by Base Resources in relation to the Offer or to any references or statements required in a bidder's statement issued in connection with the Offer, and agree to promptly take any action and provide any formal consent as may be reasonably required by Base Resources to give effect to this provision.

(c) We acknowledge and agree that Base Resources has the right, subject to the Corporations Act, to delete, waive or vary any condition in any Offer, declare any Offer unconditional or extend it at any time.

4 Confidentiality

We agree to keep this deed confidential except for any obligations we have under the ASX Listing Rules or the Corporations Act or any other regulator and in any agreed disclosure in accordance with paragraph 3 (c). We acknowledge that Base Resources will lodge with ASX an ASIC Form 603 in relation to it becoming a substantial security holder together with a copy of this deed in relation to the Sale Shares within 2 Business Days after execution of this deed by us and Base Resources.

5 Warranty

We represent and warrant that we are the legal and full beneficial owner of the Sale Shares free of encumbrances, with full power and authority to enter into and complete this deed without the consent of any other person.

6 Expiry and termination

This deed will expire and terminate and there will be no continuing rights or obligations of either party (other than the rights and obligations under this paragraph 6) on the first to occur of the following events:

(a) Base Resources contravenes section 631(1) of the Corporations Act by not making offers for all of the Shares within two months after the date of announcement of the Offer;

- (b) Base Resources withdraws unaccepted offers under the Offer in accordance with section 652C(2) of the Corporations Act;
- (c) prior to our acceptance of Base Resources' offer for the Sale Shares in accordance with paragraph 1, no other person:
 - (i) makes an offer under a takeover bid for the whole of WTR;
 - (ii) at a price per share higher than the Consideration; and
 - (iii) which is, or has become, free from defeating conditions,
 and Base Resources does not, within 5 business days of the later of the date those offers were made, or the date those offers became free from defeating conditions:
 - (iv) undertake in writing to us to increase the Consideration to be equal to or greater than those offers; and
 - (v) if the Offer has been made which remains open and Base Resources is required by law to do so:
 - (A) increase the consideration under the Offer as required; and
 - (B) waive any remaining defeating conditions; and
- (d) prior to our acceptance of Base Resources' offer for the Sale Shares in accordance with paragraph 1:
 - (i) WTR announces a scheme of arrangement under which a third party will become the controlling shareholder of WTR and the shareholder of WTR will dispose of all of their Shares; and
 - (ii) the scheme becomes effective and 3 business days have passed since that occurred.

7 Acknowledgement by us and Base Resources

We and Base Resources each acknowledge and agree that:

- (a) paragraphs 3(a)(iv) and 6(c) operate successively so that for each successive counter takeover bid meeting the requirements in paragraph 6(c), or scheme announcement meeting the requirements of paragraph 3(a)(iv), Base Resources must increase the Consideration as provided in the relevant paragraph to prevent, in the case of a takeover bid, termination, or in the case of a scheme, our ability to vote at the scheme meeting at our discretion, but the effect of those paragraphs ceases immediately once we have accepted the Offer in respect of the Sale Shares. If an increase to the price of offers under a counter takeover, or the price under a scheme, is contingent on an event occurring (such as the counter bidder acquiring 50% of WTR), the consideration offered under the counter takeover bid or the scheme is not regarded as being at that price unless and until that event occurs; and
- (b) for the purposes of paragraphs 3(a)(iv) and 6(c), shares or units which are offered under a counter takeover bid or scheme as consideration will be valued at 95% of the volume weighted average sale price of those shares on the ASX in the 5 trading day period prior to:
 - (i) in the case of a counter takeover bid, the later of the date that the offers under the bid are made and the date that the offers become unconditional; and

- (ii) in the case of a scheme, the 8th business day before the scheme meeting,
(Relevant Date).

In the event this methodology cannot be applied, the value will be 95% of the value as assessed by an independent Australian investment bank (acting as expert) appointed by agreement between us and Base Resources, as at the Relevant Date.

8 General

- (a) This deed continues for a period of 4 months from the date of signing and will automatically terminate if the conditions in paragraph 1 are not satisfied by the times set out in those conditions.
- (b) Any date, time or period referred to in this letter shall be of the essence except to the extent to which we and Base Resources agree to vary any date, time or period, in which event the varied date, time or period shall be of the essence.
- (c) Any term defined in the *Corporations Act 2001* (Cth) has the same meaning in this deed.
- (d) If any provision of this deed is void, illegal or unenforceable, it may be severed without affecting the enforceability of the other provisions in this deed.
- (e) This document may be signed in any number of counterparts. All counterparts taken together constitute one document.
- (f) This document is executed and delivered as a deed. This deed is governed by the laws of Western Australia.

Please indicate your acceptance of these terms by executing the enclosed copy of this deed where indicated below and returning it to us.

Yours faithfully

Neil Gregson
Portfolio Manager
Global Equities Team


EXECUTED as a deed

Executed by JP Morgan Asset Management (UK) Limited
in accordance with section 127 of the *Corporations Act 2001* (Cth)



NEIL GREGSON

Name




Director

MARTIN R. PORTER

Name


Agreed on 21 DECEMBER 2014

Executed by Base Resources Limited
in accordance with section 127 of the *Corporations Act 2001* (Cth)



Director
TIM CARSTENS

Name



Director / Secretary
COLIN BWyTE

Name

Attachment

The completion of the Offer, and any contract that results from an acceptance of the Offer, will be subject to the fulfilment of the conditions set out below:

1. Minimum acceptance

During or at the end of the Offer Period, Base Resources and its associates together have a relevant interest in at least 40% of all WTR shares (on an undiluted basis).

2. No prescribed occurrences

Between the Announcement Date and the end of the Offer Period (each inclusive), none of the following prescribed occurrences (being the occurrences listed in section 652C of the Corporations Act) happen:

- (a) WTR converts all or any of its shares into a larger or smaller number of shares;
- (b) WTR or a subsidiary of WTR resolves to reduce its share capital in any way;
- (c) WTR or a subsidiary of WTR:
 - i. enters into a buy-back agreement; or
 - ii. resolves to approve the terms of a buy-back agreement under section 257C(1) or section 257D(1) of the Corporations Act;
- (d) WTR or a subsidiary of WTR:
 - i. issues shares;
 - ii. grants an option over its shares; or
 - iii. agrees to make such an issue or grant such an option, other than the issue of any WTR shares in connection with the exercise of WTR options;
- (e) WTR or a subsidiary of WTR issues, or agrees to issue, convertible notes;
- (f) WTR or a subsidiary of WTR disposes, or agrees to dispose of the whole, or a substantial part, of its business or property;
- (g) WTR or a subsidiary of WTR charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (h) WTR or a subsidiary of WTR resolves to be wound up;
- (i) a liquidator or provisional liquidator of WTR or of a subsidiary of WTR is appointed;
- (j) a court makes an order for the winding up of WTR or of a subsidiary of WTR;
- (k) an administrator of WTR or of a subsidiary of WTR is appointed under sections 436A, 436B or 436C of the Corporations Act;
- (l) WTR or a subsidiary of WTR executes a deed of company arrangement; or
- (m) a receiver or a receiver and manager is appointed in relation to the whole, or a substantial part, of the property of WTR or a subsidiary of WTR;

3. Non-existence of certain rights

No person has any right (whether subject to conditions or not) as a result of Base Resources acquiring WTR shares to:

- (a) acquire, or require WTR or a subsidiary of WTR to dispose of, or offer to dispose of, any material asset of WTR or a subsidiary of WTR; or
- (b) terminate or vary any material agreement with WTR or a subsidiary of WTR.

4. Conduct of business in the ordinary course

Between the Announcement Date and the end of the Offer Period (each inclusive), WTR's business and the business of WTR's subsidiaries is carried on in the ordinary course.

5. Acquisitions, disposals and other matters

Between the date of the announcement of the Offer and the end of the Offer period (each inclusive), neither WTR nor any of its subsidiaries:

- (a) acquires or disposes of, or enters into or announces any agreement for the acquisition or disposal of, any asset or business, or enters into any corporate transaction, which would or would be likely to involve a material change in:
 - i. the manner in which WTR conducts its business;
 - ii. the nature (including balance sheet classification), extent or value of the assets of WTR; or
 - iii. the nature (including balance sheet classification), extent or value of the liabilities of WTR, including, without limitation, any transaction which would or (subject to one or more conditions) may involve:
 - a. WTR or any of its subsidiaries acquiring, or agreeing to acquire, one or more companies, businesses or assets for an amount in aggregate greater than \$2 million; or
 - b. WTR or any subsidiary of WTR disposing, or agreeing to dispose of any interest in the Toliara Project;
- (b) enters into or materially amends any material employment, consulting, severance or similar agreement or arrangement with officers, directors, other executives or employees of WTR or a subsidiary of WTR or otherwise materially increasing compensation or benefits, or accelerating compensation or benefits, for any of the above;
- (c) declares, agrees to pay or becomes liable to pay a material bonus (or similar remuneration based incentive payment) to any director, officer, employee, consultant or contractor of any member of the WTR group, other than pursuant to
 - i. a resolution of the WTR Board passed before 30 June 2014; or
 - ii. a contract or arrangement entered into before 30 June 2014 (but not pursuant to an amendment to such contract or arrangement made after 30 June 2014); and
- (d) materially varies, amends or modifies any material contract, or enters into, offers to enter into, or announces that it proposes to enter into, any material joint venture, asset or profit sharing, partnership, royalty, commodity pre-purchase, offtake or mineral streaming agreement or makes an announcement in relation to such a commitment.

6. No regulatory action

Between the Announcement Date and the end of the Offer Period (each inclusive):

- (a) there is not in effect any preliminary or final decision, order or decree issued by any Public Authority;
- (b) no action or investigation is announced, commenced or threatened by any Public Authority; and
- (c) no application is made to any Public Authority (other than by Base Resources or any of its associates),

in consequence of or in connection with the Offer (other than an application to, or a decision or order of, ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act) which:

- (d) restrains, prohibits or impedes, or threatens to restrain, prohibit or impede, or materially impact upon, the making of the Offer and the completion of any transaction contemplated by the Pre-Bid Acceptance Agreement and the Bidder's Statement; or

(e) requires the divestiture by Base of any WTR or any material assets of WTR or any subsidiary of WTR.

7. No distributions

Between the Announcement Date and the end of the Offer Period (each inclusive), WTR does not announce, make, determine as payable or declare, or announce an intention to make, determine as payable or declare any distribution, declare or pay any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie) or agree to do any of the foregoing.