



ASX Release

20 July 2015

Quarterly Activities Report – Period Ending 30 June 2015

HIGHLIGHTS

- Vote against President Hery Rajaonarimampianina dismissed by the Constitutional Court of Madagascar.
 - The Exploration Management Plan (EMP) for the Ranobe Project was approved by ONE on 23rd June.
 - A partial capital estimate for the Ranobe project from Independent group EPMS reported US\$129.3m comprising US\$107.77m plus US\$21.55m contingency (20% of capital). This estimate excluded the jetty and 55 kilometre haul road.
 - Ongoing test work approved for alternate wet processing to reduce upfront capital costs.
 - Two contractors selected to provide WTR a desk top tender price for the jetty construction contract on proposed Tulear site in north east Madagascar.
 - Cash balance at 30 June 2015: A\$3.5 million. WTR has hedged A\$3.2m at AUD/USD 77.5 cents to cover against a weak AUD versus USD.
 - Non-renounceable rights Issue raised A\$3.44m million and closed on Friday 13th April 2015.
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GOVERNMENT

On Wednesday 27th May, The President, the Honourable Hery Rajaonarimampianina of Madagascar was challenged by an impeachment vote against him in parliament. The President was dismissed by Parliament based on the vote by 121 of 151 members of parliament late on Tuesday 26th May. The President appealed to the constitutional court to determine if the head of state should step-down in such a manner. On 13th June, the Madagascar constitutional court has thrown out parliament's bid to dismiss President Hery Rajaonarimampianina. The court said impeachment proceedings launched last month had "no legal foundation" and that the president had not violated the constitution.

The Honourable Hery Rajaonarimampianina has recently allied himself with Ravalomanana' s party. The former President Marc Ravalomanana, who was ousted in the 2009 military coup.

The U.S. Embassy has more recently indicated that it backed rebuilding work by President Rajaonarimampianina after the 2009 military coup.

One of the greatest obstacles facing foreign investors is the slow licensing process, with a backlog of mining licence applications. In 2015, some of this backlog is proposed to be resolved by newly appointed highly efficient public officials within the presidency.

RANOBE MINE PROJECT

Environmental Social and Impact Assessment Study

On 11th June 2015 at a meeting in Tulear, the Office of National Environment (ONE) presented the Final Environmental Management Plan to the local associations and various ministries.

On 23rd June 2015, the Environmental Management Plan (EMP) for the Ranobe Project as approved by ONE was signed by your company and we have agreed to commit to the conditions of the EMP

The details of the various Specific Environmental Management Plans to be completed by your company will be fine-tuned as the project progresses. The plans are based on Madagascar's legal framework and are consistent with the Equator Principles as well as the International Finance Corporation Performance Standards. The plan's key elements were developed from the findings of the Environmental and Social Impact Assessment Study.

The company has committed to submitting to ONE the various studies (plans) including amongst others air, water, flora and fauna, health and safety, forests, soil and human resources which itself includes recruiting, training and compensation. The main components of the Ranobe project consist of Mine Site, Haul Road, Port Site and Borrow Pits and Quarries.

EMP Submission Schedule

Document	Deadline
ESMP* for the construction phase (Mine, road, port, quarry)	90 days before the forecast date for the beginning of construction phase
ESMP for the operational phase (Mine, road, port)	90 days before the forecast date for the beginning of operational phase
ESMP for the closure phase (Mine, road, port, quarry)	90 days before the forecast date for the closure phase

* ESMP=Environmental Specific Management Plans

WTR has reviewed all aspects of the Environmental Conditions and there is nothing that raises any material concerns. As part of approval for the ESIA, we have the approval from the Ministry of Public Works and Ministry of Strategic Resources.

ONE must also gain Final approval from the port authority, secure a road permit and a construction permit.

To date, WTR has received PORT Authority in principle approval, subject to the following conditions:

1. Complementary global and social economic study of co-ordination with other projects affected by this port. In essence to ensure there is a plan for multiple use of the port;
2. Complete a mutual plan of economic development for the port and comply with the Toliara urban plan;
3. Secure surface rights for port, including compensation;
4. To appoint an appropriate company to build the port, and
5. An appropriate entity to manage the port.

Within the environs of the Ranobe project, we continue the current re-forestation program of the trial mining sites and the social participation program in the communes.

New EPMS Capital Estimates for Ranobe Project

As indicated in the March quarterly, EPMS has completed new capital estimates for the Ranobe Project. The mandate was based on the original 2012 Definitive Engineering Study producing 400,000 tonnes of ilmenite per year and 43,000 tonnes of zircon/rutile.

The scope of works included costs for the Mining, Wet Concentrator Plant (WCP), Mineral Separation Plant (MSP or dry plant) all located at the mine site and Warehousing/Offices/Pad at the proposed Port. Excluded from the scope was the capital to complete the jetty out to a water depth of 11.5 metres and the 55 kilometre all-weather dirt road from mine site to the port.

EPMS reported a capital estimate for its scope of works of US\$129.3m comprising US\$107.77m plus US\$21.55m contingency (20% of capital). We still await final estimates for the jetty (port) and the haul road.

Alternate Mine Plan

Given the scale of the new capital costs from EPMS against the decline in the price of ilmenite in US\$ per tonne and the difficulty we envisage to secure consumer ilmenite contracts at adequate pricing to support the projected development plan, your company is examining a number of different alternative processing methods. We believe a simpler processing plant will enable the company to commence production on a smaller scale focusing on higher margin products, which we expect will reduce upfront capital costs.

Our aim is to provide options for a circuit design that integrate lower capital and operating costs. We have approved further detailed work by Mineral Technologies near Brisbane, Queensland on two-stage Wet High Intensity Magnetic Separation (WHIMS) to clearly define and optimise the maximum recovery of magnetic ilmenite versus the more non-magnetic zircon/rutile product. The proposed test work will also examine the maximum recovery of ilmenite and iron minerals in the primary stage. The test work is estimated at about 10 weeks' duration and started in early July.

Port Studies

The Definitive Engineering Study (DES) announced in August 2012 basically showed that the port infrastructure including jetty, loading facilities and some associated infrastructure will cost around US\$76.8m and the jetty was designed to be extended into the ocean to a depth of up to 24 metres (24 metre contour). The jetty was designed to load up to 70,000 tonne shipments of ilmenite or six ship loads per year. Stage One for the Ranobe Project as summarised by the DES is expected to produce some 400,000 tonnes of ilmenite per year. However, most customers would prefer 20,000 tonne bulk shipments as product needs storage at the destination. At this new reduced loading rate, activity is only 2 loads per month requiring two to three days of loading per month. The new jetty design reflects the desire to load smaller ships known as Handysize and also includes further refinements to the pylon design.

We used BMT JFA of Perth whom originally completed the design work to modify the port facilities.

Based on the new design, BMT JFA advised WTR to send Expressions of Interest (EOI) to international companies with the capabilities to build the jetty and loading facilities and in our time frame. We received all responses to the EOI by late December 2014.

WTR selected Clough Murray Roberts (CMR) of South Africa and Soletanche Bachy International of France to quote for the jetty construction. It is a paid desktop tender by WTR to ensure your company receives a more accurate capital cost for the marine works to within +/-15%.

We hope a capital estimate is available in the September quarter.

Magnetic separation to improve titanium recovery

Fresh test work completed in the March quarter at Allied Mineral Laboratories in Perth, Western Australia has demonstrated that WTR can further simplify the mineral sand processing and reduce capital within the dry separation facilities known as the Mineral Separation Plant (MSP). The circuit changes within the MSP include elimination of an additional drying process, less magnetic rolls equipment and use of two air tables to separate silica sand from the rutile/zircon concentrate.

Engineering and Project Management Services (EPMS) in Perth have completed some modifications to the MSP and the Wet Concentrator Plant (WCP) drawings. EPMS were asked to source new capital estimates for both the MSP and WSP and such estimates are shown below.

As part of the EPMS assessment of the different capital components, EPMS highlighted the need for additional test work to determine the maximum throughput across the rare-earth magnets. The March quarter test work had shown increasing contaminant levels in the Rare Earth Drum (RED) Magnetics as the feed rate measured in tonnes per hour/metre (tph/m) was increased from 5.6tph/m to 13.3tph/m. The TiO₂ levels reduced from 49.4% to 48.0% over this range.

According to the customer base, the ilmenite product is required to contain above 49% TiO₂. To maintain this minimum level of TiO₂ whilst maintaining the minimum number of separators and maximum throughput, we tested a two stage RED separation unit at Mineral Technologies. We found that at a throughput rate of 9.9 tph/m to satisfy maximum output the following conclusions were;

- The use of a two stage RED in a middlings retreat configuration will give the optimum quality ilmenite product of near 49% TiO₂ and the highest yield in this duty, and
- Operating up to a feed temperature of 80°C will have minimal effect on the quality of the ilmenite product.

CORPORATE

Cash balance at 30 June 2015 was A\$3.55m and A\$0.7m expected to be spent in September 2015 quarter

Cash used during the quarter amounted to A\$0.7m, representing mainly payments for engineering, geotechnical and environmental studies and administration costs. The cash balance as at 30st June 2015 stood at A\$3.55m. Forecast expenditure for the next quarter is to the tune of A\$0.7m. In addition to administration costs, there will be ongoing expenses for studies on test work, ESIA, jetty and marine.

Rights Issue to raise up to A\$4.2m

As reported previously, in mid-March 2015 the Company commenced a 1 for 3 non-renounceable pro-rata entitlement offer at a price of 3.5 cents per share.

The offer closed in mid-April, with an acceptance level of 81.54% from shareholders, to raise \$3.444, before costs of the issue, resulting in the issue of 98.398 million shares. The directors did not place any of the shortfall during the three months subsequent to the close of the issue and total shares on issue remain at 460.405 million.

Favourable currency hedge position

Following the rights issue, your Board evaluated opportunities to hedge the Australian dollar (AUD) against the US dollar (USD) in order to reduce the impact of the current currency volatility on our ability to complete our planned project activities. As at 30 June 2015, your company has hedged AUD3.2m sold at an average price of USD77.5 cents /AUD.

Tenement Status

No Tenement changes were made during this quarter. Appendix 1 details current tenement holdings. No tenements are subject to farm in or farm out agreements.

Jeffrey Williams Chief Executive Officer

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:

Mineral 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:

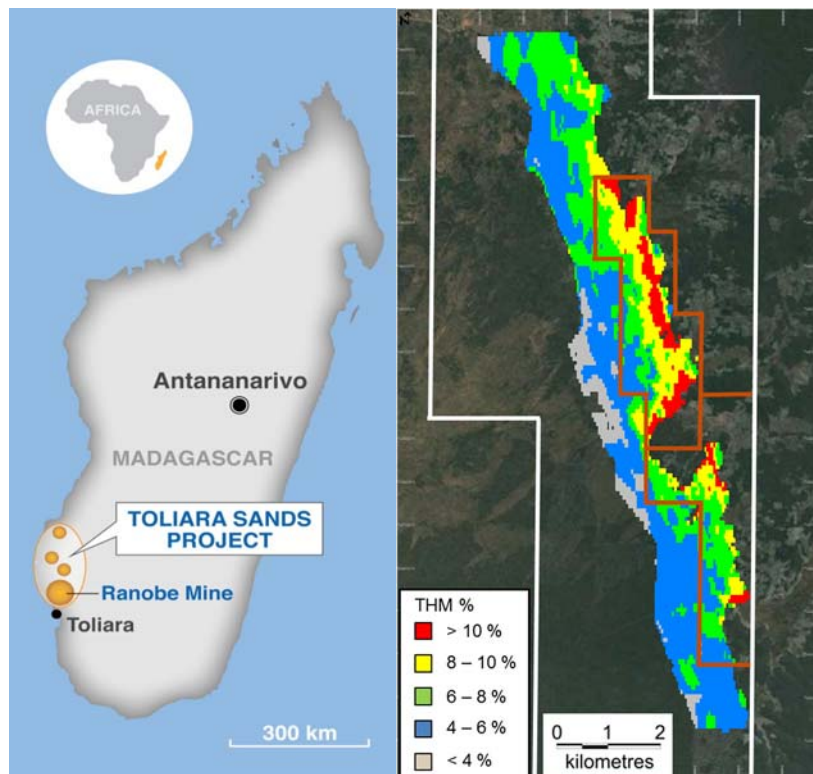
Ore Reserve Category	Tonnes (Mt)	Heavy Minerals		Slimes (%)	Mineral Assemblage (% in HM)		
		(%)	(Mt)		Ilmenite	Rutile	Zircon
Proved	148	8.12	12.0	4.02	72.3	2.4	5.5
Probable	13	9.18	1.20	3.65	72.1	2.3	5.4
Total	161	8.20	13.2	3.99	72.3	2.4	5.5

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 1: Tenement Holdings of World Titanium Resources Ltd.

Toliara Sands SARL and Madagascar Resources SARL are 100% owned subsidiaries of World Titanium Resources Ltd. No tenements are subject to farm in or farm out agreements.

PROJECT	PERMIT NUMBER	REGISTERED Holder/Applicant	PERMIT TYPE	GRANT DATE (Application Date)	EXPIRY DATE	TERM (Years)	TOTAL AREA (km ²)	SMALL SQUARE	SUBSTANCES UNDER TITLE	NOTES
Ranobe	3315	TSSARL	R	21/03/2012	20/03/2015	3	106.25	272	Ilmenite, Zircon, Leucoxene, Rutile, Basalte, Calcate, Guano	(1)
	12026	TSSARL	R	15/09/2004	14/09/2014	10	6.25	16	Ilmenite	(2) (3)
	17388	TSSARL	R	28/07/2005	27/07/2015	10	18.75	48	Ilmenite	(2)
	37242	TSSARL	E	21/03/2012	20/03/2052	40	9.38	24	Ilmenite, Zircon, Leucoxene, Rutile, Basalte, Calcate, Guano	(4)
	39130	TSSARL	E	21/03/2012	20/03/2052	40	9.38	24	Ilmenite, Zircon, Leucoxene, Rutile, Basalte, Calcate, Guano	(4)
Ankiloaka	3314	MRSARL	R	12/01/2001	11/01/2011	10	75	192	Ilmenite, Zircon, Leucoxene, Rutile, Basalte, Calcate, Guano	(2) (5) (6)
	36876	MRSARL	R	22/11/2004	21/11/2014	10	12.5	32	Ilmenite	(2) (7)
Basibasy	35822	MRSARL	R	12/01/2001	11/01/2011	10	81.25	208	Ilmenite, Zircon, Leucoxene, Rutile, Basalte, Calcate, Guano	(2) (5) (6)
Morombe	30250	MRSARL	R	12/01/2001	11/01/2011	10	206.25	528	Ilmenite, Zircon, Leucoxene, Rutile, Basalte, Calcate, Guano	(2) (5) (6)
Other	36182	MRSARL	R	22/10/2009			62.50		Ilmenite, Rutile, Zircon, Magnetite	(8)
	36183	MRSARL	R	22/10/2009			8.59		Ilmenite, Rutile, Zircon, Magnetite	(8)
	36648	MRSARL	R	16/11/2009			3.13		Calcaire	(8) (9)
	39650	MRSARL	R	16/11/2009			3.13		Calcaire	(8) (9)
	38091	MRSARL	R	23/09/2010			30.47		Ilmenite, Grenate, Zircon	(8)

DEFINITIONS: "R": Research (Exploration) "E": Exploitation (Mining Permit)
 "TSSARL": Toliara Sands SARL "MRSARL": Madagascar Resources SARL
 "BCMM": Bureau Du Cadastre Minier De Madagascar

NOTES:

- Renewable once for three year period. Application lodged on 15 December 2014 and pending at BCMM.
- Renewable twice for a three year period per renewal.
- Renewal application lodged on 23 May 2014 and pending at BCMM.
- Renewable once for 40 year period.
- Renewal application lodged 17 September 2010 for a three-year period and pending at BCMM.
- Permits presently registered in the name of Toliara Sands SARL (TSSARL) and for which a transfer to Madagascar Resources SARL (MRSARL) is pending at the BCMM.
- Renewal application lodged 1 September 2014 and pending at BCMM.
- New application pending at BCMM.
- Permit 36648 has been split into two Permits (36648 and 39650) but to date the Company has not received confirmation of grant.

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, 2015

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date(12mths) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for: (a) exploration & evaluation	(175)	(1,079)
(b) development	-	-
(c) production	-	-
(d) administration	(375)	(1,754)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	4	46
1.5 Interest and other costs of finance paid	(2)	(7)
1.6 Income taxes paid, GST/taxes paid	39	(3)
1.7 Other	-	-
Net Operating Cash Flows	(509)	(2,797)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(3)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	6	45
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other	-	-
Net investing cash flows	6	42
1.13 Total operating and investing cash flows (carried forward)	(503)	(2,755)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(503)	(2,755)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	3,406	3,407
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	(41)	(41)
	Net financing cash flows	3,365	3,366
	Net increase (decrease) in cash held	2,862	611
1.20	Cash at beginning of quarter/year to date	718	2,848
1.21	Exchange rate adjustments to item 1.20	(29)	92
1.22	Cash at end of quarter	3,551	3,551

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	92
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	195
4.2	Development	-
4.3	Production	-
4.4	Administration	487
	Total	682

+ 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	3,501	668
5.2	Deposits at call	50	50
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		3,551	718

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	460,404,808	460,404,808	Fully Paid	Fully Paid
+Ordinary securities Total Issued and Quoted Issued, but not quoted (subject to ASX escrow)				
7.4	98,398,219	98,398,219	3.5	3.5
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>
		1,500,000	-	\$0.275	31/12/2015
		1,500,000	-	\$0.125	12/08/2015
		2,000,000	-	\$0.046	15/10/2019
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	475,000	-	\$0.80	08/05/2015
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: 20th July, 2015
 CFO

Print name: Goorodeo Sookun

+ See chapter 19 for defined terms.

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.
- 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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