



ASX Release

30 October 2015

Quarterly Report – Period Ending 30 September 2015

HIGHLIGHTS

- Negotiations with the Madagascar Government are underway on the Large Mining Investment Act (LGIM) for the Ranobe project to stabilise taxes and provide financial incentives.
 - A final capital estimate for the Ranobe project reported US\$175m and included US\$23m in contingency (15% of capital) but excluded the 20% VAT which is refundable and working capital. Based on the current low ilmenite price, your company will continue to investigate other mining options.
 - Scoping study underway to assess the capital and operating costs for an increase in sand throughput from 8¹ to 12 Million tonnes per year².
 - Ongoing test work approved to test 5 tonnes of mineralised sand to assess the possibility of using the new MG12 spirals and secure a saleable zircon/rutile concentrate for testing by potential customers.
 - Cash balance at 30 September 2015: A\$3.3 million.
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RANOBE MINE PROJECT

Background

On 27 April 2012, World Titanium Resources Limited (WTR) received two Mining Licences abutting each other some 55 kilometres north of Tulear on the south west coast of Madagascar. Each of the Mining Licences has a term of 40 years and is renewable.

On 23 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.

ADP Scoping Study for Ranobe

To further improve the project economics, your company has asked independent consultants, ADP to provide a Scoping Study for the Ranobe project operating at a 50% increase in the mining rate from 8¹ to 12 million tonnes per year² of mineralised sand. ADP Marine and Modular (ADP) in Cape Town, South Africa, is a leading supplier of modular processing plants and projects in diamonds, minerals sands, coal and gold mining industries.

¹ See ASX release dated 28 August 2012 detailing Definitive Engineering Study for a mining rate of 8mtpa.

² The studies into the expanded mining rate do not necessarily indicate that such a throughput rate is, or will become, economically feasible.

ADP has an agreement with Mineral Technologies on the Gold Coast in Queensland, Australia to combine their skills in such areas as spiral technology, electrical processing and other similar gravity separation methods. The methodology of the scoping study will focus on minimising capital and operating costs and maximising construction in South Africa - for consolidated modular plant delivery from South Africa to Madagascar there is no customs duty.

The Scoping Study will provide, amongst other things;

- Blocks for Mine Site Layout Plan,
- Equipment List,
- Electrical Load List,
- Capital Cost Estimate; and
- Operational Cost Estimates.

LGIM

LGIM as it is known in French is Madagascar's Large Mining Investment Act. In late September, WTR was invited to commence the LGIM process which defines the framework for developing and operating large-scale mining projects in Madagascar and provides for legal stability and financial incentives. For example the establishment of off-shore bank accounts.

The LGIM was developed with the support and assistance of the World Bank and endorsed by the Government of Madagascar in 2002.

The Investment (capital) which is above the lower threshold of US\$25m is eligible for the special regime established by this Law, valid on July 30, 1999, the passing date of the Mining Code. In Madagascar to carry out a Project from an approved Investment Plan in accordance with the provisions of this Law, the ratio between loan funds and equity must not exceed 75:25.

To date, a committee has been formed as directed by the Minister of Mines.

New EPMS Capital Estimates for Ranobe Project

As indicated in the June 2015 quarterly, the independent contractor, EPMS in Perth 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.

The completed EPMS study plus an Independent estimate for the jetty reported a capital estimate for the final scope of works of US\$175m. The capital estimate comprised US\$152m for final installation plus 15% contingency of US\$23m and excludes working capital. The 20% VAT is refundable on expenditure in Madagascar and also excluded from the capital estimate. The capital estimate of US\$152m installed includes;

- Jetty/haul road/product storage/offices of US\$84m;
- Mineral Separation Plant of US\$21m;
- Wet Concentrator Plant of US\$24m;
- Infrastructure of US\$5m;
- Site works/construction of US\$14m; and
- Feed preparation of US\$4m.

At the current low ilmenite price we are looking at other alternative mining options.

Alternate Mine Plan

Given 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 completed detailed work by Mineral Technologies (MT) 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 test work on 55 kilograms of valuable heavy mineral product demonstrated that WTR could produce a valuable Heavy Mineral Concentrate (HMC) containing 77% saleable product of zircon and rutile with 23% trash. We must now attempt to reject the trash comprising leucoxene and lighter non-valuable heavy mineral and to complete this work we must test a much larger sample.

We have now approved additional test work to process 5 tonnes of run-of-mine mineralised sand with about 8% HMC. As part of this program, we intend to test the suitability of using the newly designed Spiral 12 when compared with the Spiral 6.3 (both designed and manufactured by MT). We have requested MT to produce a final HMC without the trash via the WHIMS and clean-up with spirals/tables. A portion of the HMC will be sent to our potential customer base for assessment.

CORPORATE

Cash balance at 30 September 2015 was A\$3.3m and A\$0.7m expected to be spent in next quarter ending December 2015

Cash used during the quarter amounted to A\$0.51m, representing mainly payments for metallurgical test work and administration costs. The cash balance as at 30 September 2015 stood at A\$3.3m. 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 and ADP Scoping Study.

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. During the last quarter ended 30 June 15, your company had 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
World Titanium Resources
Perth, Western Australia

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:

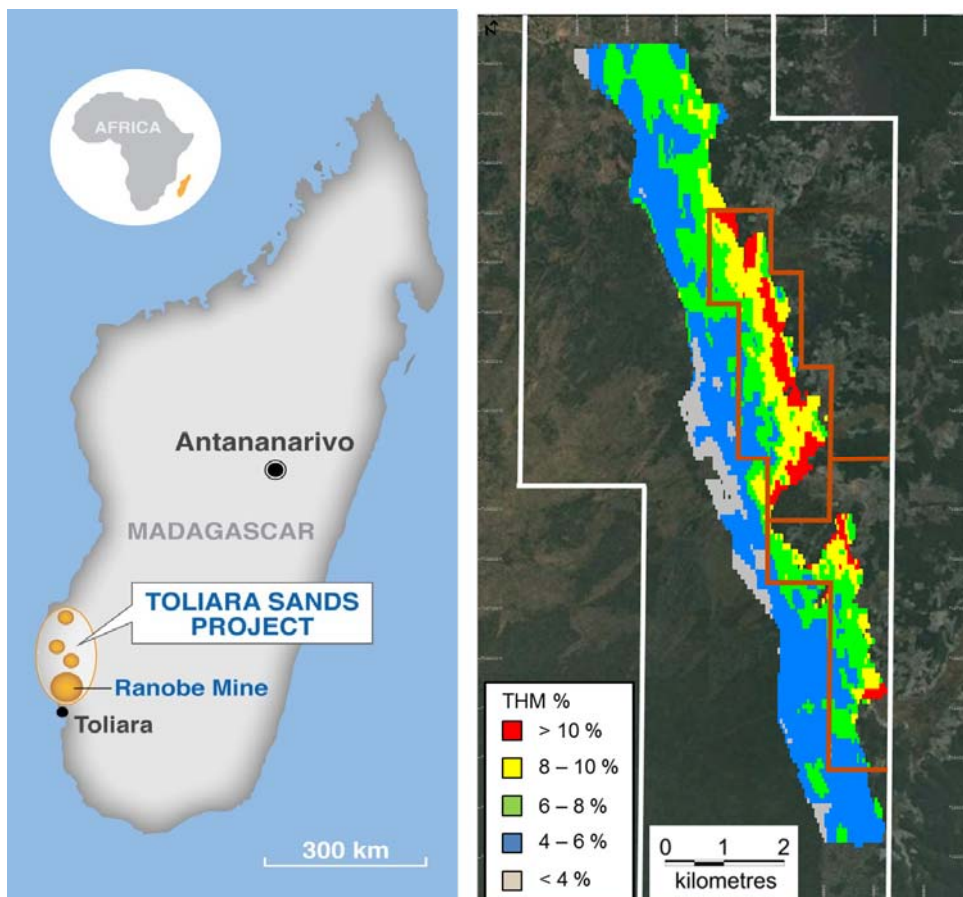
Ore Reserve Category	Tonnes (Mt)	Heavy Minerals		Slimes (%)	Mineral Assemblage (% in HM)		
		(%)	(Mt)		Ilmenite	Rutile	Zircon
Proved	148	8.12	12.0	4.02	72.3	2.4	5.5
Probable	13	9.18	1.20	3.65	72.1	2.3	5.4
Total	161	8.20	13.2	3.99	72.3	2.4	5.5

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)
Ankililoaka	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 Sep, 2015

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3mths) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for: (a) exploration & evaluation	(164)	(164)
(b) development	-	-
(c) production	-	-
(d) administration	(419)	(419)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	4	4
1.5 Interest and other costs of finance paid	(2)	(2)
1.6 Income taxes paid, GST/taxes paid	20	20
1.7 Other	-	-
Net Operating Cash Flows	(561)	(561)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(2)	(2)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	19	19
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other	-	-
Net investing cash flows	17	17
1.13 Total operating and investing cash flows (carried forward)	(544)	(544)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(544)	(544)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	30	30
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	30	30
Net increase (decrease) in cash held			
		(514)	(514)
1.20	Cash at beginning of quarter/year to date	3,551	3,551
1.21	Exchange rate adjustments to item 1.20	235	235
1.22	Cash at end of quarter	3,272	3,272

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	200
4.2	Development	-
4.3	Production	-
4.4	Administration	500
	Total	700

+ 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	3,222	3,501
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)		3,272	3,551

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	-	-	-	-
Changes during quarter (a) Increases through issues/exercised options - Cash Issue - Merger Consideration (b) Decreases through returns of capital, buy-backs - Consolidation				
7.5	-	-	-	-
+Convertible debt securities (description)				

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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
		2,000,000	-	\$0.046	15/10/2019
7.8	Issued during quarter	1,000,000	-	\$0.046	15/10/2019
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	1,500,000	-	\$0.13	12/08/2015
7.11	Debentures (totals only)	-	-	-	-
7.12	Unsecured notes (totals only)	-	-	-	-

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: 30 October, 2015
 CFO

Print name: Goroodeo 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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