



ASX Release

20 January 2016

Scoping Study reported a lower capital option for the Ranobe project

World Titanium Resources Limited (ASX: WTR) (the "Company") is pleased to announce that a high level Scoping Study completed by independent consultant, ADP in Cape Town, South Africa, has demonstrated that simplifying the processing stream to sell only zircon/rutile concentrates in containers and stockpile ilmenite will require a capital cost of US\$48m plus VAT (up to 20%), working capital and other owners costs. WTR owns 100% of the Ranobe mineral sands project near Toliara on the west coast of Madagascar.

Key Scoping Study Outcomes¹

- Phase ONE capital cost estimated of some US\$48m plus VAT, working capital and other owners' costs.
- The study incorporates the new 17-year mine plan containing an updated measured resource estimate of 244.7 million tonnes grading 8.02% Heavy Mineral (HM) on the Ranobe approved mine leases (See ASX release 18 January 2016).
- The dry mining operation will treat 12 million tonnes per year (tpa) of mineralized sand around 8% HM per year. The zircon/rutile component of this is approximately 8% of the total HM content, or about 77,000 tpa of plant feed.
- Average estimated output of 66,000 tpa of zircon/rutile concentrate over the first 17 year mine plan.
- Concentrate shipped using containers from the existing Toliara port.
- Ilmenite averaging some 670,000 tpa will be stockpiled adjacent to the Wet Processing Plant.
- Modular equipment build using ADP's capabilities and Mineral Technologies experience in spiral design.
- Phase TWO capital in Year 3 comprises of an additional US\$6m for the installation of a conveyor transport system for the movement of run-of-mine material to the Wet Processing Plant and tailings disposal.

Jeff Williams, World Titanium Resources' Chief Executive officer said "The Scoping Study completed by ADP has confirmed that a low capital option is possible for the proposed high grade Ranobe mine development. The Company is in the process of testing a 5 tonne bulk sample to produce concentrate for testing with end users, which is anticipated to be completed by March 2016. On completion of these market studies, we will review our options. The ADP Scoping study is a high level assessment and not conclusive at this stage, but does demonstrate the potential robustness of the project under current conditions in product markets."

Summary of Scoping Study

The Scoping Study was compiled by ADP with the assistance of Mineral Technologies from their corporate association with Mineral Technologies in Queensland, Australia.

The Scoping Study highlighted that capital can be as low as US\$48m plus VAT, working capital and other owners'

¹ *The stated production targets are based upon the Company's current expectations of future results or events and should not be solely relied upon by investors when making investment decisions. Further evaluation work and appropriate studies are required to establish sufficient confidence that this target will be met.*

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costs if WTR focus on producing and selling zircon/rutile concentrate and stockpile ilmenite adjacent to the Wet Processing Plant. The study included using excavators instead of the traditional front-end-loaders for dry mining. In regard to wet processing, Mineral Technologies included the new Spiral 12 design to assist in reducing spiral numbers, fewer pumps which assisted to reduce capital.

A new 17-year mine plan is currently being developed from an updated resource model (see release dated 18 January 2016) based on the advice from Independent consultant, Geovia Services in South Africa. Geovia Services based the new mine life plan on treating 12 million tonnes per year; and Short to medium term scheduling completed on the deposit with priority on the first 10 years of mine production.

Mining

- As per the original WTR Definitive Engineering Study (see ASX release dated 28 August 2012) and the Environmental Social and Impact Assessment approval of which was announced to ASX on 30 October in the September 2015 Quarterly, the Company will dry mine to an average depth of 17.5 metres below the natural surface.
- In-pit, WTR will use excavators to load 40 tonne articulated trucks and haul short distances to an Apron Feeder
- Initially in Phase ONE, use articulated trucks to haul less than 500 metres from the in-pit bin to the adjacent Wet Processing Plant. In Phase TWO, spend an additional US\$6m on a conveyor system to haul longer distances from Year 3 onwards.
- From the Apron Feeder, convey material onto a grizzly screen to remove debris and unwanted oversize material within the open pit, and finer sand is collected in a bin.

Wet Processing Plant

- Run-of-mine mineralized sand again screened through a 4 mm grid to remove any remaining trash.
- Undersize mineralized sand collected in a bin and water added prior to distribution (pumping) to the spiral plant.
- The valuable heavy mineral and other heavy sands from spirals are collected in a surge bin.
- The surge bin is constructed to allow a constant flow and density for distribution to the Wet High Intensity Magnetic Separators (WHIMS).
- The final concentrate is placed in a verandah or into bags or directly into 25 tonne containers pending customer needs. Some 66,000 tonnes of concentrate per year is planned to be hauled in container to the Toliara port.
- Truck transport to Toliara port via existing roads as there is a significant reduction in shipments when compared with the 2012 DES (see release date 28th August 2012) which entailed shipping some 450,000 tpa.

Other Work

In parallel with the ADP Scoping Study, WTR has:

- Commissioned Mineral Technologies laboratory in Queensland and produce a typical zircon/rutile concentrate for market testing from a 5 tonne run-of-mine sample. The 5 tonne sample arrived in Brisbane on Monday 7 December with production of a zircon/rutile concentrate by Mineral Technologies expected to be completed by March 2016.
- The Company has commenced compilation of the Large Investment Act (LGIM) with the Madagascar Government in order to finalise the fiscal arrangements.

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ABOUT WTR

World Titanium Resources Limited (ASX: WTR) is an Australian based mining company in the business of developing and exploiting Heavy Mineral Sand deposits in the Republic of Madagascar. The Company owns a 100% of the Toliara Sands Project located along the southwest coast of Madagascar that comprises four Heavy Mineral Sands properties including its flagship Ranobe property.

The Ranobe Property is at an advance state of development with environmental permitting in place. It is anticipated that a Definitive Feasibility Study incorporating an alternate mine plan to that announced in August 2012 (28th August 2012; Ranobe Engineering Results) with a name plate capacity of 12,000,000 tonnes per annum will be undertaken shortly.

FORWARD LOOKING STATEMENTS

Certain information contained in this report, including any information on WTR's plans or future financial or operating performance and other statements that express management's expectations or estimates of future performance constitute forward-looking statements. Such statements are based on a number of estimates and assumptions that, while considered reasonable by management at the time, are subject to significant business, economic and competitive uncertainties. WTR cautions that such statements involve known and unknown risks, uncertainties and other factors that may cause the actual financial results, performance or achievements of WTR to be materially different from the company's estimated future results, performance or achievements expressed or implied by those forward-looking statements. These factors include the inherent risks involved in exploration and development of mineral properties, changes in economic conditions, changes in the worldwide price of zircon, ilmenite and other key inputs, changes in the regulatory environment and other government actions, changes in mine plans and other factors, such as business and operational risk management, many of which are beyond the control of WTR.